# DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS FOR 1991

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## HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

SUBCOMMITTEE ON VA, HUD, AND INDEPENDENT AGENCIES

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# DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS FOR 1991

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WEDNESDAY, FEBRUARY 21, 1990.

## U.S. CONSUMER PRODUCT SAFETY COMMISSION

### WITNESSES

JACQUELINE JONES-SMITH, CHAIRMAN
CAROL G. DAWSON, VICE CHAIRMAN
ANNE GRAHAM, COMMISSIONER
THOMAS W. MURR, JR., ACTING EXECUTIVE DIRECTOR
SUSAN BIRENBAUM, ACTING GENERAL COUNSEL

### INTRODUCTIONS

Mr. STOKES. The committee will come to order. I am sitting in for Chairman Traxler this morning. The Chairman was unable to be here, and so I will be acting in his stead this morning.

I want to welcome the witnesses before our committee. We have Ms. Jacqueline Jones-Smith, the Chairman of CPSC, appearing before us for the first time. Carol Dawson, Vice Chairman, and Anne Graham, Commissioner, and accompanying them are Mr. Thomas Murr, Acting Executive Director, Susan Birenbaum, Acting General Counsel.

Did I miss anyone?

Ms. JONES-SMITH. No. I think you have us all, Mr. Chairman.

Mr. STOKES. All right. Thank you. The fiscal year 1991 budget requests $35.69 million and 513 FTEs. This is an increase of $462,000 above the 1990 appropriated level. At this time the Chair would like to recognize the Chairman, Ms. Jacqueline Jones-Smith for your statement, and you may proceed in any way you would like.

Ms. JONES-SMITH. Thank you very much, Mr. Chairman. With your permission and in the interest of time, the Commission would like to submit the full text of the statement for the record, and I would like to summarize at this time.

Mr. STOKES. By unanimous consent, you may proceed in that manner.

### OPENING STATEMENT

Ms. JONES-SMITH. Thank you very much, Mr. Chairman.

Mr. Chairman, it is with great pleasure that the three members of the Consumer Product Safety Commission appear before the subcommittee today to discuss the President's budget recommendation for the Commission for fiscal year 1991. As you know, the period since the Commission last testified before the subcommittee has been one of the most unusual in the agency's history, as the Commission lacked a quorum for over ten months and could not officially conduct certain items of business.

The subcommittee can be assured, however, that no safety problem of a critical or a serious nature went unaddressed during this period. Now, with the quorum restored, many items which were pending have already been acted upon by the Commission, and the remaining ones will be taken up in the near future. The 1991 President's budget and OMB mark $35.6 million and 513 FTEs is by all accounts a modest one. It represents a funding level of $1.7 million less than the current service requirement.

As most programs and activities will be maintained during the year, management of the available resources will challenge the Commission. Nonetheless, the Commission can assure the subcommittee that it will fulfill its safety mission under the statute, that it will do its best to ensure a successful outcome for each project included in the budget, that it will pursue rulemaking actions as vigorously as possible, when they are warranted, and that it will address all serious violations and substantial product hazards brought to the agency's attention. Meeting these goals during a period of fiscal restraint requires that the Commission employ two important principles. First, the Commission must be highly selective in choosing which items to support. The requested resources will permit the agency to accomplish the full range of activities described in the justification document, provided no unforeseen needs arise.

Second, the Commission must seek to obtain maximum levels of cooperation from outside organizations in order to leverage its resources. The 1991 budget request clearly reflects these two principles. With regard to the first principle, perhaps the most important program decision reflected in the budget is to retain as many staff as possible at the expense of other cost categories.

Placing such a high priority on the retention of staff has proven successful in the past, and is especially evident in the accomplishments of the past year. For example, 15 voluntary standards were completed on products as diverse as ATVs, cribs, and swimming pool covers. With the cooperation of the U.S. Customs Service, millions of dollars worth of illegal fireworks, toys and other products were intercepted at ports throughout the country and prevented from entering the retail distribution chain.

Corrective action plans for defective products were negotiated with industry, and safety information on lead-based paint and indoor air quality was developed and provided to consumers.

While fewer hazard projects are proposed for support in 1991 than in previous years, the Commission believes it has selected the most important ones to be considered. Work will continue on improving child resistance of cigarette lighters, preventing drowning accidents, making playgrounds and playground equipment safer, reexamining permissible levels of lead in paint mixtures, and studying the contribution of consumer products to indoor pollutant levels. To such on-going efforts will be added new projects addressing fires caused by heat tapes, strangulation hazards of crib toys, and the over 1000 deaths and 1 million injuries attributable each year to bicycle accidents.

Several contract programs will be reduced by one-half rather than eliminated in order to provide the flexibility necessary to address more critical problems when they arise.

Product safety assessments and state and local contracts in support of compliance and enforcement programs are two important examples. Careful resource management during the fiscal year will still permit the Commission to enlist contract support, when either in-house expertise or geographic coverage is lacking. An exception, however, is the proposed elimination of hazard contract funds.

In some cases, project completion will be delayed until contract funds can be made available from other sources. As a result, the Commission is unable to select any fully funded priority projects for 1991.

In light of these adjustments, the continued cooperation and support of outside organizations will greatly assist the Commission in meeting its 1991 program goals.

Nowhere is this more evident than in the development of voluntary standards, where often safety measures can be achieved more quickly and with fewer resources than ever before possible. Similar reliance on outside organizations can be seen in two of the program improvements for 1991.

First, we will expand the National Electronic Injury Surveillance System, or NEISS, where participation of reporting hospitals is critical. Second, Section 15 case finding efforts will be increased and enhanced through arrangements with such organizations as the Administrative Offices of the U.S. courts. These arrangements will provide information critical to the Commission's safety mission at little or no cost to the agency.

In conclusion, the subcommittee can be assured that the Commission's basic program components will remain viable in 1991. The agency will do its best to ensure a successful outcome for each project included in the budget request.

While serious reductions will have to be made, the Commission will employ all available alternatives to minimize this impact. We would be pleased, Mr. Chairman, to answer any of your questions.

Mr. STOKES. Thank you Ms. Jones-Smith for your statement.

[The prepared statement and biography of Ms. Jones-Smith follows:]

## CONSUMER PRODUCT SAFETY COMMISSION

Opening Statement Before the Subcommittee
on VA, HUD, and Independent Agencies
Committee on Appropriations
U.S. House of Representatives

February 21, 1990

Mr. Chairman, it is with great pleasure that the three members of the Consumer Product Safety Commission appear before the Subcommittee today to discuss the President's budget recommendation for the Commission for fiscal year 1991. As you know, the period since the Commission last testified before the Subcommittee has been one of the most unusual in the agency's history, as the Commission lacked a quorum for over ten months and could not officially conduct certain items of business. The Subcommittee can be assured, however, that no safety problems of a critical or serious nature went unaddressed during this period. The lack of a quorum was recently resolved by the appointment of a new Chairman by President Bush. Many items which were pending have already been acted upon by the Commission, and remaining ones will be taken up in the near future.

## 1991 Budget Request

The 1991 President's budget and OMB mark, $35.6 million and 513 FTEs, is by all accounts a modest one. It represents a funding level $1.7 million less than the current services requirement. As most programs and activities will be maintained during the year, management of the available resources will be a challenge for the Commission. Nonetheless, the Commission can assure the Subcommittee that it will fulfill its safety mission under the statute; that it will do its best to ensure a successful outcome for each project included in the budget; that it will pursue rulemaking actions as vigorously as possible when they are warranted; that all serious violations of regulations and substantial product hazards brought to the agency's attention will in fact be addressed; and that the Commission will judiciously apply its resources to those activities which will provide the greatest margin of protection for the American consumer.

Meeting these goals during a period of fiscal restraint requires that the Commission employ two important principles. First, the Commission must be highly selective in choosing which items to support. The requested resources will permit the agency to accomplish the full range of activities described in the justification document, provided no unforeseen needs arise. Second, the Commission must seek to obtain maximum levels of cooperation from outside organizations in order to leverage its resources. The 1991 budget request clearly reflects these two principles.

## Selective Adjustments

Perhaps the most important program decision reflected in the budget is to retain as many staff as possible at the expense of other cost categories. Placing such high priority on the retention of staff has proven successful in the past. It is difficult to imagine, for example, achieving the accomplishments cited in the justification document without a full staff complement. Over the past year, fifteen voluntary standards were completed on products as diverse as ATVs, cribs, and pool covers. With the cooperation of the U.S. Customs Service, millions of dollars worth of illegal fireworks, toys, and other products were intercepted at ports throughout the country and prevented from entering the retail distribution chain. Corrective action plans for defective products were negotiated with industry. Safety information on lead-based paint and indoor air quality was developed and provided to consumers. The success of this agency is inextricably linked to the approximately 500 staff who work every day to make these things happen.

While fewer hazard projects are proposed for support in 1991 than in previous years, the Commission believes it has selected the more important ones to be considered. Six projects will involve rulemaking and, depending upon future Commission decisions, several others might also. Work will continue on improving the child-resistance of cigarette lighters, preventing drowning accidents, making playgrounds and playground equipment safer, reexamining permissible levels of lead in paint mixtures, and studying the contribution of consumer products to indoor pollutant levels. To such ongoing efforts will be added new projects addressing fires caused by heat tapes, strangulation hazards of crib toys, and the over one thousand deaths and one million injuries attributable each year to bicycle accidents. These projects are, in the Commission's view, the more pressing safety problems to act upon during fiscal year 1991.

The Commission was equally selective in determining which support costs to reduce in order to retain at least 513 staff. Contract, travel, and similar costs will be limited to those expenditures essential to maintaining basic services and program operations during the year. Several contract programs will be reduced by one-half rather than eliminated in order to provide the flexibility necessary to address more critical problems when they arise. Product safety assessments and state and local contracts in support of the Compliance and Enforcement program are two important examples. Careful resource management during the fiscal year will still permit the Commission to enlist contract support when in-house expertise or geographic coverage is lacking. An exception is the proposed elimination of hazard contract funds. In some cases viable alternatives will be possible, such as assigning work to in-house staff. In other cases, project completion will be delayed until contract funds can be made available from other sources. As a result, the Commission is unable to select any fully funded priority projects for 1991.

## Cooperative Activities

The continued cooperation and support of outside organizations will greatly assist the Commission in meeting its 1991 program goals. Nowhere is this more evident than in the development of voluntary standards. The interest and responsiveness of national standard development organizations contribute substantially to the achievement of safety measures more quickly, and with fewer resources than ever before possible. Moreover, their work, and that of the Commission, does not stop with the approval and publication of a new safety standard. Standards are continually reviewed and revised to ensure that they are sufficiently protective in application as well as in theory. Examples cited in the Overview section of the justification document only begin to identify the many organizations involved and the breadth of their contributions.

Similar reliance on outside organizations can be seen in two of the program improvements proposed for 1991, expansion of the National Electronic Injury Surveillance System (NEISS) and increased Section 15 case-finding efforts. The Commission will add 27 new hospitals to its most important data system in 1991, resulting in a total of 92 facilities reporting a variety of data on product-related injuries every day. Particular hospitals are selected for participation in the system based on geographic location, size, and other factors. Yet their particip- ation is voluntary, and on average each hospital is reimbursed less than $7,000 per year for its efforts. Needless to say, the integrity of NEISS data, which form the basis for nearly every action the Commission takes, is based in large measure on the commitment of participating hospitals to the cause of product safety.

Another important 1991 emphasis will be increasing both the total number and level of potential Section 15 hazard cases brought to the Commission's attention. The agency has been working closely with outside organizations to establish cooperative reporting arrangements. A mechanism has already been established with the Administrative Office of the U.S. Courts to obtain listings of all product liability cases filed within the system. Similar efforts are being explored with state courts, state fire marshals, medical emergency groups, and the National Association of Attorneys General. Their cooperation is expected to result in an increase in the number of serious Section 15 cases brought to the Commission's attention at little or no additional cost to the agency.

Beyond these new efforts, the Commission will continue its successful import surveillance efforts with the U.S. Customs Service. The Commission will also continue to rely on state and local organizations to assist it in compliance and enforcement matters; on the radio, television, and print media to dedicate free air time and print space to public safety messages; and on many other organizations which share the Commission's goals and are willing to work with it to achieve them.

## Conclusion

In conclusion, the Subcommittee can be assured that the Commission's basic program components will remain viable in 1991, and that the agency will do its best to ensure a successful outcome for each project included in the budget request. While serious reductions will have to be made, the Commission will employ to maximum advantage the several methods available to it to ameliorate their effect. Notable among these is the Commission's reliance on continued strong support from cooperating organizations.

We would be pleased to answer any questions the Subcommittee may have.

U S CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, D C 20207

## JACQUELINE JONES-SMITH

## Biographical Sketch

The sixth Chairman in the history of the U.S. Consumer Product Safety Commission, Jacqueline Jones-Smith, has more than 10 years' legal and management experience in the government and private sectors.

Nominated October 12, 1989 by President Bush as Chairman and Commissioner of the independent regulatory agency, Ms. Jones-Smith was confirmed by the U.S. Senate on November 18, and sworn in on November 27, 1989 for a seven-year term ending October 26, 1996.

A native of New York, she grew up in New York City and Philadelphia where she attended public schools. Awarded a four-year academic scholarship to Swarthmore College, she received a bachelor of arts degree in 1974. Ms. Jones-Smith was awarded a graduate assistantship to Syracuse University where she received a master's degree in library science in 1978. She received a law degree from American University in 1984.

From 1979 to 1985, Ms. Jones-Smith held progressively responsible positions in the library/information science and facilities management fields with the MAXIMA Corporation, an intergrated information systems company based in Rockville, Maryland. As senior-level manager with the firm, she managed projects and staff at sites throughout the United States.

In 1985, Ms. Jones-Smith became an Assistant County Attorney for Montgomery County, Maryland, where she prosecuted civil infractions in areas of health, public safety and environmental protection. She also represented the County Department of Social Services in child neglect and abuse cases.

In 1987, she became a staff attorney in the Office of the General Counsel for the Federal Election Commission where she litigated cases before the U.S. appellate courts.

Ms. Jones-Smith is admitted to practice before the U.S. Supreme Court, the U.S. Court of Appeals for the District of Columbia and Ninth Circuits, the U.S. District Court for the District of Maryland, and the Court of Appeals for Maryland. She is a member of the American Bar Association, the National Bar Association, and the Maryland State Bar Association.

Ms. Jones-Smith resides in Rockville, Maryland, with her husband, Joshua Smith. She has one stepson, Joshua II.

Mr. **Stokes**. Would any of the other commissioners care to make a statement?

Ms. **Dawson**. Yes, Mr. Chairman.

I don't have a statement, but I did want to make a few comments.

Mr. **Stokes**. Sure.

Ms. **Dawson**. Thank you.

I do support this budget request and I concur with the Chairman's statement. Even though I originally supported a total budget figure of $37 million rather than the staff proposal of $40.3 million, I believe we can operate efficiently in fiscal year 1991 on the request of $35.6 million. If additional funding should become available, I would support funding hazard contracts, information and education programs, state and local contracts and efforts to improve administrative efficiency.

It is little noted by the Commission's critics that there has been a steady decline in the actual number of deaths associated with consumer products at a rate of 27 percent in the last 10 years. Deaths associated with household fires, electrocutions, accidental poisonings, for example, all have shown dramatic decline. While CPSC can't claim all the credit, clearly our presence has significantly contributed to this improvement. Our agency's work with improving product safety through voluntary standards organizations is sometimes criticized by those who may believe mandatory rules are more effective. But I am pleased to report that two of the major standards setting organizations, ANSI and ASTM, by establishing methods to achieve greater speed in developing safety standards and in seeking ways to assure compliance with those standards have really responded to this criticism.

Many voluntary standards achieve a higher level of safety than mandatory rules could achieve. One of my favorite programs of the Commission deserves mention, and that is the Commission's project to address the national problem of childhood drownings—children under five years of age. We have about 330 deaths a year due to drowning in residential swimming pools. The Commission has made a tremendous effort, working through the national safety network, including states and local jurisdictions, to promote the adoption of a pool barrier code. We have made great strides in developing a barrier code proposal, which is going to go a long way eventually in helping reduce this tragic number of deaths.

So overall, I believe that we are meeting our congressional mandate, and I support this budget request. I believe that we can continue to operate efficiently.

Mr. **Stokes**. Thank you.

Ms. **Graham**. Mr. Chairman, thank you. I have a very brief statement. I appreciate the opportunity to be here today. I would add that last September I wrote the Director of OMB expressing my support for the $40.3 million budget and 550 FTEs recommended by the Executive Director. I believe that the Executive Director's proposal was sound and would revitalize the Commission.

Since December, the Commission has a new Chairman and is again functioning with a quorum. In January we unanimously voted to accept the President's budget and the OMB mark of $35.6 million and 513 FTEs. I voted with my colleagues because more than anything else I want the Commission to move forward with a united and strong front to focus on those projects which will most effectively enhance the safety of the American consumer.

The budget is very lean, but I believe that our mission is important and we will be able to fulfill it.

Thank you.

[The prepared statement of Ms. Graham follows:]

U.S. CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, D.C. 20207

Remarks by

Commissioner Anne Graham

Before

The Subcommittee on VA, HUD, and Independent Agencies

Committee on Appropriations

U.S. House of Representatives

February 21, 1990

Mr. Chairman. I am pleased to appear before the Subcommittee today. Last September I wrote the Director of the Office of Management and Budget expressing my support the 40.3 million dollars and 550 FTEs recommended by the Executive Director. I believe that the Executive Director's proposal was sound and would reinvigorate the Commission.

Since December the Commission has a new Chairman and is again functioning with a quorum. In January we unanimously voted to accept the President's budget and OMB mark of 35.6 million dollars and 513 FTEs. I voted with my colleagues because more than anything else I want the Commission to move foreward with a united and strong front to focus on those projects which will most effectively enhance the safety of the American consumer. The budget is very lean, but I believe that our mission is important and we will be able to fulfill it.

I would be pleased to try to answer any questions.

## AGENCY STATUS

Mr. **Stokes**. Thank you very much. All right. We will proceed at this time, and with questions from the committee. Let me start with this, and I appreciate both your statement and the statements of the other commissioners, but we have noted that when this subcommittee took over CPSC in 1975, the agency had 950 FTEs. It was actively pursuing a dozen mandatory standards. Now it is pursuing largely voluntary standards. In no way can it be considered as fulfilling the original legislative intent of a guardian of product safety. At your 1991 request, $35.69 million, aren't you really in effect a shell agency that does not really contribute effectively to product safety, and maybe contributing to its decline through lax enforcement and lengthy standard setting proceedings?

Ms. **Jones-Smith**. Mr. Chairman, first of all I would like to say no, we are not witnessing a decline of the agency. We have seen a change in resources, and a movement toward voluntary standards.

However, that does not mean that enforcement of those standards has not been pursued. I think the Commission has worked well in striking the balance between the lowering of the budget and the shift in resources of our agency as in other agencies, and fulfilling our safety mandate. We have, I think, effectively pursued mandatory standards where they were warranted. In fact this past year in December during my tenure one of the first things that this agency did was institute regulatory proceedings for a mandatory standard for child resistant packaging for glue removers containing acetonitriles and permanent wave solutions containing sodium bromates. So where warranted, I think the agency has pursued mandatory standards.

The critical question is whether unreasonable risks to consumers are being prevented, whether it be through voluntary or mandatory standards. I think the Commission has done a very successful job in pursuing those voluntary standards, where warranted, and meeting its safety mandate.

## BUDGET REQUEST

Mr. **Stokes**. Well, let me ask you this then. Do you really feel that you can effectively carry out your responsibilities with your current request of the $35.69 million?

Ms. **Jones-Smith**. Mr. Chairman, we believe that we can currently fulfill all the obligations that are currently contained in this budget. The question becomes, I think, are there other things that we think we would be doing, and are there other things that we think we should be doing. If there were more resources, I think that answer would be yes.

But I think currently what is contained in this budget, and the projects that we have decided to look at for the upcoming fiscal year can be met within these resources. The budget does not allow for any unforeseen circumstances. Certainly, we are dealing in a dynamic market place where new products are coming up every year, and there are changes, and the budget is a static instrument and does not provide for that.

We feel confident that we can provide those services that are included within this budget.

Mr. STOKES. Now you actually asked OMB for $40 million?

Ms. JONES-SMITH. Yes, we did.

Mr. STOKES. What additionally would you have done had they given you the $40 million?

Ms. JONES-SMITH. If we had the $40 million, Mr. Chairman, first of all, as I said in our statement, our current budget is $1.7 million below our current services. If we had had our $40 million, we would have had, in terms of current services, first of all, our hazard contract money. We would have restored our hazard contract money. We would have continued our compliance contracts and state and local contracts at their full level.

The current budget represents a 50 percent reduction in those compliance contracts. We would have maintained our current common costs. In addition, we would have added a data collection initiative to provide for poison data, behavioral data and quality control which would have been an adjunct to our current data collection activities.

We would have increased our consumer information with regard to video recalls and news releases. Providing more updated electronic presentation of recall information, which is so vitally necessary in this day and age of television.

We would have added funds to complete our office automation. We would like to add that we could provide further information for the record later, but I think that the $40 million mark would have done three important things that are very important to this agency. And that is, one, maintain our ability to identify problems in a very quick and efficient manner, and to assess problems particularly through the hazard contracts. It would have made us a less reactive and more prospective agency in being able to identify problems.

Second, it would increase the agency's operational efficiency. The more efficiently we can operate in terms of our common costs restored and our computerization, the better we can accelerate these projects. The other thing it would do is provide more valuable information to consumers. It certainly does no good for us as an agency if we are able to identify hazards and make a sound technical assessment if we can't get the important information such as product recalls out to consumers in a manner that is palatable to them. We are certainly in the age of electronic media, and we are in an age where people are reading less print matter, and it would be very important to see on television reenactment of the hazard and the actual product presented before them.

Those are the things I think that could be presented in a brief list. As I said, we will provide further information for the record. However, we think we have chosen the more important areas to focus on within the $35.6 million mark.

[The information follows:]

## ADDITIONAL ACTIVITIES UNDER $40 MILLION BUDGET

The January request is $4.7 million and 37 FTEs less than the $40.3 million budget submitted to OMB in September. The larger budget would have supported the additional activities and program expansions described below. They total $5.6 million rather than $4.7 million because the January budget includes $924,000 in 1991 pay costs not included in the September budget.

1. A Data Collection/Analysis Initiative would have been conducted, adding to our current efforts NEISS hospital coordinators ($50,000), data on poisoning exposures ($94,000), a pilot project to collect data from environmental health clinics ($44,000), state and local investigation contracts ($10,000), hazard screening activities ($199,000), and a data base on the human factors involved in product-related accidents ($41,000). The NEISS sample increase, a part of the proposed initiative, is included in the January budget with a December 1 start date. The September budget included funds permitting the system to be fully operational on October 1 ($151,000). In addition, contract support to purchase mortality data, incident data, and economic special studies support would have been enhanced rather than being reduced ($74,000). Total cost of the data initiative is $663,000 and 3.3 FTEs.

2. Hazard contracts in the amount of $1.3 million would have been awarded. These contracts would have supported 11 hazard projects. Depending on Commission vote some of these projects could be made priority projects. The staff recommended two priority projects, Cigarette Lighters and Indoor Air Quality. They include:

| | |
|---|---:|
| Swimming/Diving............ | $90,000 |
| Cigarette Lighters......... | 75,000 |
| Building Code Coordination. | 50,000 |
| Furniture Flammability..... | 10,000 |
| Bicycles.................. | 100,000 |
| Riding Mowers.............. | 274,000 |
| ATVs...................... | 50,000 |
| Kitchen Fires.............. | 220,000 |
| Heat Tapes................. | 200,000 |
| Indoor Air Quality......... | 75,000 |
| Methylene Chloride......... | 200,000 |
| | $1,344,000 |

3. Four additional hazard projects would have been supported: Furniture Flammability, Fireworks Evaluation, Cords and Plugs, and Kitchen Fires. The Furniture Flammability project would have

supported Commission participation in the Upholstered Furniture Action Council (UFAC) Technical Committee, the survey of materials and furniture styles for trends affecting flammability, and investigation of the classification and labeling of furniture fabrics. The Fireworks Evaluation project would have supported a limited evaluation of firework injury incidents to determine the adequacy of the existing standards. The Cords and Plugs project would have identified the causes of failures in these products and the avenues available to address them. The Kitchen Fires project would have supported assessment of state-of-the-art devevices to detect fire parameters of kitchen ranges. In total, these four projects cost $428,000 and 6.6 FTEs, exclusive of contract funds shown above.

4. A major Compliance and Enforcement Initiative would have been conducted. The Initiative included increased Section 15, product safety assessment, regulated products, and voluntary standards conformance work. The regulated products plan would have been reduced from an 8 year to a 7 year cycle; voluntary standards monitoring would have been significantly expanded, consistent with pending reauthorization legislation. Contract support associated with the Compliance Initiative, and restoration of contract reductions, includes product safety assessment support ($96,000); Section 15 case development ($50,000); and state and local contracts for Section 15 and regulated products ($90,000), voluntary standard conformance monitoring ($40,000), and ATV monitoring ($116,000). Total cost of the Initiative is $1.1 million and 17 FTEs.

5. Internal operations would have been improved through program support increases in the Common Costs and Operating Cost accounts. Proposed improvements included more funds for staff training, laboratory guard services, regional center expenses such as enforcement sample purchase and shipment expenses, printing safety brochures, and supplies. A major component was full computerization of headquarters offices through the purchase of equipment and software ($503,000). The total cost of improving program support is $1.2 million.

6. Numerous other contract reductions would not have been made. Some are in areas described above which were proposed for enhancement. Other contracts

which would not have been terminated include state and local consumer information contracts to disseminate safety information on hazard projects ($85,000); a video news release contract to produce up to four short TV news features identifying consumer hazards ($40,000); a TV recalls contract to produce a monthly videotape of selected recalled products ($15,000); contracts for three information campaigns, swimming pool safety, cigarette lighters, and playground equipment ($82,000); contract support to purge computer files and microfilm seven years of accident reports in the Clearinghouse to improve the accessibility of data and free up storage space ($33,000); contract support for planning and evaluation studies ($35,000); and analytical support for the Inspector General ($10,000). Total cost of these and other contracts which were reduced is $0.4 million.

7. Sixteen FTEs would not have been reduced below the current services level of operation by eliminating the cooperative student education program (10 FTEs) and eliminating one FTE slot from each of six directorates. Staff time in the technical directorates largely supported the Hazard Assessment and Reduction program. Cooperative education students would have assisted the Commission in hard-to-fill positions, potentially leading to their permanent employment. Total cost of these positions is $0.5 million.

8. Finally, a contingency reserve of $750,000 would have been established to be used only for critical hazard analysis and assessment, newly enacted legislation, or litigation purposes which may arise unexpectedly during any given year. These funds were not included in the $40.3 million figure because they would have been "no-year" funds, carrying over from year to year until they are actually needed.

### FTES

Mr. STOKES. How about on FTEs? Your 1991 request is 513 FTEs. How many FTEs should you actually have to be able to aggressively do your job?

Ms. JONES-SMITH. We currently have a ceiling of 529 full time equivalents, so the 513 is 16 below that ceiling. With regard to the $40.3 million mark, that number is considerably less than the 550 at the $40.3 million mark. Our current ceiling for 1991 is 529 FTEs. The effective number, I think, depends on the relative mix of projects that we are going to have.

So it is hard to come up with an exact number, but I think 529 is our current level.

### ADMINISTRATION'S VIEW OF PRODUCT SAFETY

Mr. STOKES. One of our concerns is that it took ten months to fill the Chairman's vacancy, leaving the commission without a quorum, and then you received a budget request that is $1.7 million below the current services level. I guess the question is whether this administration really places a high premium on product safety?

Ms. JONES-SMITH. Well, I think the administration has spoken up in the areas of health and public safety. I think since the quorum has been restored, we have been a very strong and effective Commission.

We have taken care of a number of pending matters in a very expeditious manner and we have a few matters that are still pending that we will take up in the near future.

I think the other thing that is critical to keep in mind is that during this ten month period the Commission could not take formal action in some areas, but there were a number of very important things that were happening at the staff level with regard to compliance—obtaining voluntary compliance with many factories in terms of hazards—developing and working with industry on voluntary standards and providing information to consumers.

So that the product safety area did not stand still during the ten months. Work has continued in some of the very important and more critical areas, and now that the quorum has been restored, this Commission has worked very effectively in that area.

Mr. STOKES. I would note, Ms. Jones-Smith, that in the provision language on page 3, that the language giving the chairman authority to exercise the powers of the commission is not included in there this year.

Is there some reason why this is not included?

Ms. JONES-SMITH. It is my understanding that OMB took that language out and is supporting the language as it is.

### ALL TERRAIN VEHICLES

Mr. STOKES. The ATV issue is a good example of how the CPSC is losing its credibility. CPSC took what some would consider the quick and easy way out, and settled for voluntary standards that, most would agree, are not working.

Would you agree with that assessment?

Ms. JONES-SMITH. No, Mr. Chairman, I would not agree with that. I think some very good progress has been made with regard to the ATV issue in this agency since the initiation of the consent decree, as opposed to what could have been a lengthy trial was a cost effective measure for solving a very difficult problem. As a result of the consent decree, we can see a great deal of progress.

For example, no new three-wheeled ATVs are currently available for sale. Every purchaser of a new ATV or member of his immediate family, is offered free training, and, as an incentive for that training, they are offered a $50.00 incentive of either cash or merchandise, or a $100 savings bond. There have been some extensive public awareness campaigns.

There are now warning labels and hang tags on four-wheel ATVs. ATVs that are now marketed in the United States have to conform to the first phase of a voluntary standard that was approved by ANSI in February of 1990. Work is continuing on the second part of the voluntary standard with regard to lateral stability.

Now that does not mean that this issue has not been without some problems. The Commission has had problems with regard to distributors exercising "their best efforts" to ensure that dealers comply with the current age recommendations. The Commission has done some follow-up studies which show that dealers are not making the age representations with regard to selling adult-sized ATVs to children. The Commission is currently engaged with industry in coming up with a solution and a remedy to that problem.

So I think, on balance, we feel fairly confident in saying that the Commission has done well in solving what is a very difficult safety problem.

Ms. GRAHAM. Mr. Chairman, can I just add, that I am in the minority here, and I did vote against consent decree. I don't think that the consent decree went far enough, but now that we have it, I think it is imperative that we endorse it 100 percent.

Mr. STOKES. Well, let me ask you this. All reports now indicate that the number of deaths associated with ATV use has remained constant from the time before the voluntary standards were imposed. In fact, dealers are by all reports blatantly disregarding the rules. One Member of Congress has recently proposed to hold hearings on the adequacy of CPSC's handling of the issue. So, in spite of all the negative publicity, you still propose substantial cuts to ATV programs. How do you justify these cuts and still maintain credibility?

Ms. JONES-SMITH. Well, we are currently working with the distributors in negotiating some remedial action with regard to the age recommendations of adult sized ATVs for children.

We are currently in negotiations at this time, and would be very happy to provide follow up and detailed information to the committee at some later point.

I don't feel at this point it would be appropriate to talk about our negotiations in a public hearing forum. However, we found that since 1986, where the deaths were about 350, they have been on the decline. They are now at about 300. Our information projects that by 1992 the deaths should go down to about 200, with regard to the four wheeled ATVs.

### ENFORCEMENT OF ATV RULES

Mr. **Stokes**. Can you give us some idea of what percentage of the dealers are enforcing the rules?

Ms. **Jones-Smith**. We did two studies to see if there was compliance with the age recommendation of the consent decree.

One in December of 1988 in Virginia and a nationwide in 1989. We found about 56 percent non-compliance with the age recommendations. The various dealers ranged from a low of about 42 percent non-compliance to a high of about 72 percent with an average of about 56 percent. That is the area—the non-compliance with the age recommendations—that we are currently working on.

We feel optimistic that we can get some resolution to this problem.

Mr. **Stokes**. But you are talking about a pretty high percentage, aren't you?

Ms. **Jones-Smith**. I would say that is a troubling percentage. It is fairly high. Once we saw the results of this study we immediately contacted the distributors, and we are working on the distributors exercising "best efforts" to ensure that their are dealers do comply.

### HAZARD CONTRACTS

Mr. **Stokes**. Well, now according to Table 3 on page 13 of your justifications, you are again proposing to eliminate all hazard contracts and reduce ATV enforcement.

Do you believe that these areas are not the best use of CPSC funds, or are you cutting these because Congress in the past has restored funding for these projects and you believe it will do so again?

Ms. **Jones-Smith**. No, Mr. Chairman. We eliminated the hazard contract money because looking at all of the other areas, our state and local contracts, our compliance contracts, we thought that the hazard contracts could be eliminated at this time. Depending on the need for them, we still have on board staff who can do some of the technical work.

Certainly, not the amount of technical work and expertise that you would need through a contract. I am by no way representing that our staff has the total expertise that we always need.

However, it was our determination that at some point in the future, if that money was needed, we could restore that through possibly other projects. With regard to the ATV amount, based on our current negotiations with the industry to obtain remedial steps and barring unforeseen circumstances, we feel that the amount for ATV monitoring is a reasonable amount. I agree, that is barring no unforeseen circumstances. Should unforeseen circumstances arise, that would be an area we would have to go back to and start readjusting funds to deal with that.

But at this point in our negotiations, we feel that the amount we have allotted for next year's monitoring is sufficient.

Mr. **Stokes**. The Chair recognizes Mr. Green for any questions you may have.

## INDOOR AIR POLLUTION

Mr. GREEN. I have a couple of areas I would like to pursue. The last couple of years I have discussed the issue of indoor air pollution, and last year Commissioner Graham indicated that they were in the process of a study on humidifiers and developing guidelines for consumers.

Where does that work stand?

Ms. JONES-SMITH. The staff has been working with the Association of Home Appliance Manufacturers whose members include the humidifier industry to develop some consistant instructions for the use, cleaning and maintenance of portable humidifiers, and these instructions are going to form the basis of a revised labeling and marketing provision under—

Mr. GREEN. What is the time table on that?

Ms. JONES-SMITH. We are going to be doing this over the next year.

Mr. GREEN. On page 34 of the justification, you have a larger indoor air quality project. Is that going to be limited to the specific types mentioned there, the unvented gas space heaters, the catalytic propane and gas heaters, carpet, formaldehyde, and then you mentioned biological pollutants and I wasn't clear whether that was simply again the humidifier problem or you had other pollutants in mind.

Ms. JONES-SMITH. You were looking at page 34?

Mr. GREEN. Yes, page 34 and 35.

Ms. JONES-SMITH. Okay. That project includes biological pollutants which include the humidifiers, air conditioners, carpeting, and, vaporizers. Also we are testing the indoor air quality of kerosene space heaters. We are also looking at carpets, and investigating the emissions from carpeting.

Mr. GREEN. Is that primarily formaldehyde, or for——

Ms. JONES-SMITH. I think it is nitrogen dioxide. My understanding is it would include a number of different types of gases and emissions. We would be happy to provide additional information for the record.

[The information follows:]

### INDOOR AIR QUALITY/HUMIDIFIERS

The research efforts on biological pollutants begun in 1986 have been completed. One study dealt specifically with determining the contribution of humidifiers to the biological contamination of indoor air, another investigated levels of biological pollutants in homes and a third compared those measured levels with housing characteristics and the respiratory health of the children living in those homes.

The research on the contribution of humidifiers to biological indoor air pollution formed the basis for the issuance of a safety alert in December, 1988, and video news release in February, 1989, informing consumers of the steps they should take to use humidifiers safely. The Commission is continuing to work with the industry to improve the labeling on their products and to include effective cleaning and maintenance instructions with their humidifiers which they have verified through laboratory testing. Sections of a recently published consumer information pamphlet, "Biological Pollutants in Your Home," are also based upon the humidifer research effort. The final research report from Oak Ridge National Laboratories and the CPSC analysis will be publicly available in March, 1990. It is expected that the instructions and labeling changes will be recommended for incorporation into the Underwriters Laboratories voluntary standard for humidifiers by the end of the year. A humidifier initiated in 1989 is currently in progress. This work consists of research on mineral emissions as well as additional work on biological emissions. Humidifier work is scheduled to be completed by the end of July, 1990. Results and analysis will be publicly available during the first quarter of fiscal year 1991.

The results from the other two studies will be available during April, 1990. No funding is specifically requested in 1991 to pursue additional research in the area of biological pollutants, but the Commission will continue to monitor any information brought to our attention on the health impact of biological pollutants.

In 1991, the areas to be addressed in the honor air quality project include unvented gas space heaters, catalytic propane and gas heaters, carpeting, and possibly, formaldehyde.

Work on unvented gas space heaters (UVGSH) will focus on working with the American National Standards Institute to modify the existing voluntary standard for UVGSH to include an emission rate standard for nitrogen dioxide and carbon monoxide. This standard will address the chronic hazard posed by exposure to elevated levels of these gases.

Emission testing of camping equipment style catalytic, propane and gas heaters will lead to recommendations for a technological fix or labeling of these appliances to address the carbon monoxide deaths associated with their use.

Research was initiated in 1990 to identify volatile emissions from carpets which might account for the adverse health effects which consumers have associated with new carpet installation. The volatile organic chemicals emitted from carpets have not yet been identified, but we do not expect to find formaldehyde to be one of them. The Commission is also evaluating a number of consumer complaints associated with new carpet installation to determine if there are any commonalities in the type of carpet, installation, symptoms, etc. Analysis of these complaints will be completed this spring.

In 1990, the Commission will review options available to reduce the risk of formaldehyde emissions from particleboard and plywood. Based on the results of this review, the Commission may direct the staff to evaluate available information on emissions of formaldehyde from furniture and carbinetry and develop a revised exposure and risk assessment.

### ELDERLY SLEEPWEAR PROJECT

Mr. GREEN. Yes, if you could please. For that question and also for the previous question.

Let me turn to the fire safety standards for sleep wear. Last year at page 162 in the hearing you anticipated a voluntary standard for elderly sleep wear would be developed in conjunction with the industry.

Where does that stand at this point?

Ms. JONES-SMITH. The Commission recently voted not to engage in any kind of standard at this time, primarily because the data that we had—I am not going to speak for my colleagues, but I will speak for myself—indicated that elderly adults were involved in apparel fires, however, there was no data to support an unreasonable risk associated with night wear. In fact, data seemed to indicate that apparel fires were going down, even though the elderly population was going up.

I think this is one area were there more data to show the unreasonable risk associated with that product, the Commission would be very much prepared to revisit the issue. One of the things that we are going to be looking at though within the next year is to work with industry trying to find out more and better ways of determining how some of these apparel related fires are occurring, and to try to get more information out.

At that point, there wasn't enough information to provide a factual predicate for us to go on to regulatory action.

Mr. GREEN. Let me read last year's testimony on page 153, in 1986 there were 179 deaths from clothing fires and about 78 percent of those occurred in the over 65 age group and primarily involved night wear, so it is a very substantial problem for the elderly. Do you have any data which now causes you to believe that statement was incorrect?

Ms. Jones-Smith. I don't have any knowledge of those specific facts, but further questioning of the staff when they presented the information to us showed that, yes, there were clothing fires, that a substantial number of fires involved the elderly, and also a number of fires may have involved nightwear, but our further questioning of the staff showed the staff could not provide us with any facts as to numbers.

It was an estimate that this is what we think is happening. But under the Flammable Fabrics Act there has to be a showing of an unreasonable risk associated with the product of night wear.

Mr. Green. Could I ask you for the record first to lay out the data base on which the statement on page 163 of last year's record was made, and then what data you have gotten since last year's hearing that caused you to change your position?

Ms. Jones-Smith. Okay.

[The information follows:]

### Flammability of Nightwear for the Elderly

Last year, the Commission staff was aware of two reviews of clothing-related fire incidents covering the period of 1970 through 1982, which indicated a significant reduction in fire deaths for all age levels, especially for children. However, national estimates for clothing-related fire deaths for 1986 showed that a number of deaths, about 179, still occurred and that 78 percent of these deaths, 139, occurred to individuals over 65 years of age. These numbers were expected to increase in the future as the over-65 segment of the population increased. The Commission staff was also aware that about half of the burn injuries resulted from nightwear-related fires, and that the per capita risk of death in a clothing fire was 19 times higher for those over 65 compared to the general population.

This year, 1987 national estimates became available indicating that about 200 deaths related to clothing ignitions occurred, 83 percent of which (166) occurred to persons 65 or older. These numbers are not significantly different from the 1986 data.

When all data available were analyzed and presented to the Commission, it became clear that the estimated percentage of clothing-related fire deaths directly attributed to nightwear was based on the comparable percentage for injuries, not deaths. Accurate death data are available on total clothing-related fire deaths, but not on the exact proportion due to nightwear-related fires. Moreover, the injury investigations of clothing ignition fires used to estimate fire deaths were conducted no more recently than the mid-1970's. To demonstrate that nightwear currently poses an unreasonable risk under the Flammable Fabrics Act, additional epidemiological data would be needed on the types of garments, fabrics, and fibers involved in recent clothing ignition deaths and injuries. The Commission therefore voted not to proceed with the issuance of an advance notice of proposed rulemaking without the data being otherwise available.

Ms. Jones-Smith. The data base, and I am not sure, I think I have to provide that information later.

Mr. Green. If you could provide all that for the record.

Ms. Jones-Smith. Right. But the facts presented to us in their briefing and we had a full, all day briefing in which we had members of the apparel industry, AARP, a number of outside organizations testify, and this is a very important area that will be revisited, but there are no facts to show an unreasonable risk associated with this particular product.

Mr. Green. Thank you.

Mr. Stokes. Mr. Atkins, the Chair recognizes you.

### ATVS

Mr. ATKINS. Thank you, Mr. Chairman. In the ATV work that you have done so far, you assess that you rely heavily on voluntary industry activities. Has anything happened with ATVs that happened as a result of our having a Consumer Product Safety Commission, or is it fair to say that everything that has happened has been the result of other outside forces?

Ms. JONES-SMITH. Clearly as a result of the consent decree, Congressman, there has been—and the consent decree was the result of a court action taken by the Consumer Product Safety Commission,—a stop-sale of three-wheeled ATVs; there is now free training provided for users and immediate members of their families of ATVs; there was an extensive media campaign on the safety of ATVs as a result of this consent decree; there was an extensive system of warning labels, hang tags, posters that are put up in dealerships regarding the safety of ATVs as a result of this consent decree, and also as a result of the consent decree, ATVs marketed in the United States have to conform to a voluntary standard which was just approved by ANSI in February of 1990.

So I think there have been a number of successes with regard to ATVs. We have seen a decline in injuries with regard to ATVs that I think can be attributed to the consent decree, and also slower decline, but a decline nonetheless in deaths, and we predict a decline to about 200 deaths in 1992, which we feel is the result of the consent decree.

### METHYLENE CHLORIDE

Mr. ATKINS. You have one of the chemical projects that you are looking at in the current budget is methylene chloride. You are, as I understand it, presently completing an evaluation of the consumer risk from that. You are looking particularly at the question of labeling requirements.

Why aren't we looking at actually banning methylene chloride in light of the fact that it does have an effect on ozone depletion and also by your own estimate causes about 100 or has caused about 140 excess cancer deaths per year, and there seems to be adequate substitutes for it, particularly in paint strippers.

Ms. JONES-SMITH. It is my understanding that we have made a decision to deal with labeling, but I am going to have to, Congressman, offer to provide further information for the record, because that happened before I joined the Commission. I need to provide further information to you later on that.

[The information follows:]

### METHYLENE CHLORIDE

The Commission estimated that 140 cancer cases could result from the way consumers used methylene chloride containing products in 1986. We further estimated that if consumers used the products under high ventilation conditions (as directed by the new labeling) the cancer risk would be reduced to 22 or less per year. These numbers represent risk assessments based on extrapolation from animal data and are, of course, subject to a greater possibility of error than estimates based on other Commission data bases, such as NEISS.

In June, 1988 the Commission determined that the labeling required under the FHSA would provide consumers with sufficient information to enable them to use the products, if they choose to use them, in a manner which exposes them to minimal risk. The Commission also concluded that the use of methylene chloride in household products is declining and will continue to decline, which will also reduce the risk.

The Commission has underway a program for the reassessment of consumer exposure and risk from those products which continue to use methylene chloride in their formulation. The program has three elements: an economic market study to be completed in 1990, an evaluation of exposure from partially reformulated products, if any, and a statistical survey of consumer use behavior. At this point resources are not available to conduct the survey. However, the results of the 1990 market study and assumptions about consumer behavior will be used in 1991 to estimate the reduction in consumer risk. The Commission will then decide whether labeling adequately reduces the risks to consumers.

Ms. DAWSON. Perhaps I could shed a little bit of light on that. I was on the Commission when we made that determination on methylene chloride. You are quite right, there are some substitutes available and some of the manufacturers are beginning to reformulate their products to use those substitutes, particularly in paint strippers and we are pleased to see that happening.

At the same time, we felt that giving the consumer adequate information as to the hazard and better information as to how to use the product safely was the most feasible thing that the CPSC could do at the time.

I believe that we are doing——

Mr. ATKINS. Why do you say more feasible? Why wasn't it feasible to ban it?

Ms. DAWSON. Well, banning it at that point would have meant reducing consumer choice in areas where there was a need to have this product.

### SUBSTITUTES FOR METHYLENE CHLORIDE

Mr. ATKINS. But there are substitutes for it. Clearly adequate substitutes exist for methylene chloride, and it would seem if you were going the route of putting hazard labeling on it, why wouldn't you use your own data and indicate on labels that there are 140 cancer deaths caused per year by use of methylene chloride. I mean then you have an effective hazard label.

Ms. DAWSON. Well, banning is the most extreme measure that the Commission can undertake and it does require a lot of evidence. Our staff, at that time, was recommending that we use this approach, issuing a statement of policy. We will continue to examine whether or not there is evidence to support a ban.

At the time we addressed this issue, the substitutes you mentioned were not yet widely available. Since that time——

Mr. ATKINS. They are widely available?

Ms. DAWSON. Since that time they have become more and more available.

Mr. ATKINS. But you are not looking at a ban, you are looking at an evaluation of the extent of consumer risk.

Ms. DAWSON. I would like to point out that some of the substitutes that have been proposed also have their own types of hazards, so the Commission always has to balance those choices, and look at the evidence and consult with our staff using every available scientific evidence. At the time, we felt that this was a reasonable approach.

### LABELING

Mr. **Atkins**. Why didn't you include in your labeling 140 cancer deaths are caused by methylene chloride?

Ms. **Dawson**. That of course was part of our intention—to warn the consumer that the reason that they should observe safety practices in using these products was because of the risk of cancer.

Mr. **Atkins**. But it is one thing to say there is a risk of cancer, I think most people are somewhat immune to that. If there isn't a cancer risk that we see now, there is bound to be some story in the newspapers that whatever is going to cause cancer. It is something else to have something that indicates a high level of cancer risk, that you yourself have found in your own experience.

Ms. **Dawson**. The risk assessment that you are mentioning, of the 140 estimated deaths, was related to the way in which consumers used those products before the additional labeling was required.

So we have to go back and assess whether or not that labeling has produced enough change in behavior and patterns of use so that it will also reduce the possible risk.

Mr. **Atkins**. Taking that approach, we could spend forever.

It would seem to me, following up on the Chairman's suggestion earlier, that given the attitude of the previous administration, and this administration and OMB on the Consumer Product Safety Commission, that either we are going to have a commission and they are aggressively going to pursue the things that are the most egregious kinds of risks for which there are adequate and safe substitutes, or we should eliminate the commission and not pretend that the government is going to provide this kind of protection to people.

It would seem as though we are in the worst of both possible worlds, that we are creating an aura of protection, yet studying everything to death.

Ms. **Jones-Smith**. Congressman, I would like to add that, under the Hazardous Substances Act, the Commission has to first make a determination in order to ban that no labeling will adequately reduce the risk. It is my understanding that we have to make first of all a labeling assessment under that statute, and it is my understanding that that is what we had decided to do at first.

Ms. **Dawson**. We have a comprehensive plan going on now to assess the success of the labeling program, and by the end of 1991 we will be able to review it and determine whether or not a ban may be necessary.

Ms. **Jones-Smith**. We would be very happy to provide any information for the record in terms of what we are currently doing with regard to looking at the label. Also it is my understanding that we have worked to publish with the industry a brochure regarding paint stripping in order to provide information on the possible hazards.

But we have to, under the statute first assess that labeling is not going to adequately reduce this risk before we move on to a ban.

### LEAD POISONING

Mr. **Atkins**. Can you explain to me what resources you intend to commit to the lead poisoning project, particularly in the area of lead poisoning that is being caused by lead removal activities, and the risk to people who are involved in that removal activity?

Ms. **Jones-Smith**. The Commission, with regard to lead poisoning, is going to look at revision to the existing regulations for lead content in paint and other types of surface coatings. We anticipate spending approximately $100,000 on this project in 1991.

Mr. **Atkins**. That is on the surface coatings.

Ms. **Jones-Smith**. Yes, as well as other sources of lead exposures. We are working with HUD, and we are working with EPA on lead abatement, not just surface coatings, but in other areas.

Mr. **Atkins**. Will you explore the utility of having better regulation of lead paint removal, both business and technical?

Ms. **Jones-Smith**. I really don't understand.

Mr. **Atkins**. Presently anybody can get into that kind of business. Is that one area that you are going to look into, whether some kind of controls on those businesses are warranted.

Ms. **Jones-Smith**. I would like to ask our general counsel to address that. I am not really sure if that is within our area. If you would like to ask Ms. Birenbaum to respond to that.

Ms. **Birenbaum**. Our authority is limited to dealing with hazards associated with the product. We don't have any licensing authority over the actual contractors.

Mr. **Atkins**. I appreciate that. But there are products which are used increasingly which are coming on the market, I am referring specifically to the products used for removal particularly of peeling lead.

Ms. **Jones-Smith**. That is one of the areas I think we can, and I am not sure exactly, provide further information on what the details of this project will include. That is something I think we can look into. And I am not sure if that is part of what we are going to be looking into, but I can provide further information for you on the record. And I know that HUD and EPA are looking at that and we are working on cooperative efforts with them.

[The information follows:]

### 1991 Lead Poisoning Project

During 1990 the CPSC will complete an evaluation of its existing regulation, which limits the lead content of paint to 0.06 percent (600 ppm) by weight of the dried surface film, to see if it is sufficiently protective. The Commission will also evaluate new information on the health hazards posed by low level lead exposures, and on the potential contributions of lead from paints and surface coatings to exposures, especially to vulnerable populations like children and pregnant women. If the Commission determines that changes to the current regulations are appropriate, during 1991 the Commission will commence rulemaking procedures to implement those decisions.

In past years the Commission participated, through the National Institute of Building Sciences, in the development of interim guidelines for lead paint abatement which are scheduled for release by HUD in April, 1990. One of our areas of special emphasis in the development of these guidelines was the hazards of various abatement technologies, including chemical paint removal and the use of heat guns. In 1991 the Commission will continue to participate in the evaluation of such product hazards. We have been working with Underwriters Laboratory to assure that heat guns and similar paint removal devices sold to consumers adequately warn of the hazards of lead paint removal.

The Commission serves on a Task Group with EPA and HUD overseeing the current HUD sponsored "demonstration project" which is evaluating the various load abatement techniques. We plan to assist HUD by continuing to provide the public with information on lead paint abatement. There are currently no initiatives being

**undertaken by this Task Group for establishing licensing procedures for contractors who carry out lead abatement. However, Commission representatives will raise the matter with the Task Group at our earliest opportunity.**

Ms. JONES-SMITH. But we can provide further information.

Mr. ATKINS. This is through your cooperation with HUD. I hope you will have the ability to work with them and issue recommendations, which would include licensure of individuals.

In your hazard assessment and reduction program, you are looking forward to a new project on bicycles. Were you part of last year's the big public campaign promoting the use of bicycle helmets for children as well as adults?

Ms. JONES-SMITH. The Consumer Product Safety Commission joined in with the Department of Transportation and NHTSA, the National Highway Traffic Safety Administration, in their efforts for bicycle safety, and so, yes, we have been involved in that.

Ms. GRAHAM. May I just add also, we did have representation on the Safe Kids Campaign, which is an independent organization encouraging the use of helmets.

Mr. ATKINS. Mr. Chairman, that is all I have.

### HAZARD CONTRACTS

Mr. STOKES. Okay, Mr. Atkins.

Let me refer you to page 20 where there is a chart. Last year Congress increased your appropriation and provided $1.2 million for hazard contracts and ATV endorsement.

According to the chart here on page 20, hazard contracts account for about $116,000 in fiscal year 1990. And I guess the question is, where is the rest of the money?

Ms. JONES-SMITH. I will ask our executive director to respond to that. I think, though, initially I would like to note that some of that money was, through further adjustments because of Gramm-Rudman, subsequently eliminated, and I will ask Mr. Murr to respond with regard to the rest of the expenditures, and we will also provide further information for the record.

Mr. MURR. Yes.

As the Chairman stated, approximately $550,000 of those funds were eliminated in the across-the-board reductions and for the war on drugs. The remaining approximately $650,000 will be allocated to several hazard projects, including swimming, diving, choking hazards and indoor air quality.

Some of the money was added to complete or to at least begin the process of the NEISS hospital expansion, which the Commission deems very important.

We also restored the ATV consent decree enforcement money. We had an additional problem of addressing lead in water coolers under the Lead Control Act of 1988, I believe, for which we estimate we need approximately $420,000, not including staff time, to address that hazard.

So a lot of money went to that.

And, lastly, two items in particular, our telecommunication costs involving our phone charges, and for our distribution of safety information, costs have gone up, and we had to reflect the reality of the new estimates in order to cover those items.

### AUTHORIZATION

Mr. STOKES. Now, in order to redistribute that money, did you get authorization?

Mr. MURR. We provided the information to the committee in our operating plan.

Mr. STOKES. To which committee?

Mr. MURR. To this committee, and to the Senate as well.

Mr. STOKES. Did the committee act on your request?

Mr. MURR. As yet, we haven't heard back on that.

Mr. STOKES. Okay.

Mr. MURR. One of the most difficult things to address in this was, of course, the lead in water coolers, which, as is often the case, we were given the responsibility to address the issue, but we had to provide the funding.

Mr. STOKES. How about on the Senate side? Did you submit your request to them also?

Mr. MURR. We did.

Mr. STOKES. Did they act on it?

Mr. MURR. We haven't heard anything from them either.

### VOLUNTARY AND MANDATORY STANDARDS

Mr. STOKES. Okay.

Table 6 on page 17 shows a number of voluntary and mandatory standards under development for the years, fiscal year 1989 through fiscal year 1991.

How many do you propose completing in each of those years?

Ms. JONES-SMITH. In each of the years, for 1990 and 1991?

Mr. STOKES. 1989 through 1991.

Ms. JONES-SMITH. With the Chair's indulgence, please.

Mr. STOKES. Sure.

Ms. JONES-SMITH. Okay. For 1989, Mr. Chairman, we had 29 voluntary standards, of which we completed 15 of them.

For 1990—we are still in 1990—so we don't have a list to provide at this time.

There are currently 25 voluntary standards that we are working on, and our 1991 request includes 15 voluntary standards, and we can provide the numbers I just gave you are with regard to monitoring.

With regard to participation for 1989, we had 24 voluntary standards of which we completed—between the two—I am sorry—15.

Let me go back and clarify.

With regard to monitoring voluntary standards and participating for 1989, we have 29 monitoring and 24 participating, and between the two, we completed 15 standards.

For 1990, we are monitoring 23 voluntary standards and we are participating in work on 19 of them, and we have not completed 1990 as of this time.

And in 1991, we are anticipating monitoring 15 voluntary standards and participating in 15 voluntary standards, and we would like to provide a complete list of those standards to you for the record at a later time.

Mr. STOKES. Certainly. That would be fine.

[The information follows:]

## VOLUNTARY STANDARDS

The Commission is involved in voluntary standards activities at two levels—participating and monitoring. Participating involves regularly attending meetings of the Standards Development Committee or group and taking an active part in the discussions of the Committee and, frequently, expending resources toward the development of the standard. Monitoring involves a less intensive level of activity; and Commission maintains an awareness of the voluntary standards development process through oral or written inquiries and occasionally attends meetings and contributes readily available information to assist this process.

Participating and monitoring level voluntary standard development activities for each of the three budget years are listed in the tables below. They reflect activities in the fiscal year in which the Commission has planned involvement, and completed standards are noted with an asterisk (*). Completed standard work may result in a new standard, or revisions or additions to an existing one. If the voluntary standard will be completed but not approved by the appropriate national consensus organization until a subsequent year, the anticipated year of approval is noted in parentheses.

In total, 15 voluntary standards were completed in 1989, 9 will be completed in 1990, and 10 will be completed in 1991.

## PARTICIPATING VOLUNTARY STANDARDS, 1989-1991

1989 Actual

Gas Heating Systems:
1. Gas Control Valves
2. Central Furnaces
3. LP Gas Systems
4. Flexible Connectors
5. Water Heaters

6. Gas Grills

7. Fire Hazard Assessment

8. Cigarette Lighters

9. Nightwear for Elderly

Drowning/Diving:
10. Pool Barriers
*11. Pool Covers

12. Step Stools

Building Code Coord:
13. Tap Water Control
14. Suction Fittings

15. Riding Mowers

*16. Home Plygrd Equip.

17. Public Plygrd Equip.

18. Plygrd Surfacing Mat.

19. Gates/Enclosures
(Horiz. Force)

Indoor Air Quality:
*20. Unvented Gas Heaters
*21. Pressed Wood Products

Kerosene Heaters:
22. Organic Chemicals
23. $NO_2$

Chlorocarbons:
24. Methylene Chloride

1990 Operating Plan

Gas Heating Systems:
1. Gas Control Valves
2. Central Furnaces
3. LP Gas Systems
4. Flexible Connectors
*5. Water Heaters (1991)

6. Fire Hazard Assessment

7. Cigarette Lighters

8. Nightwear for Elderly

Drowning/Diving:
9. Pool Barriers
10. Diving

11. Riding Mowers

12. Home Plygrd Equip.

13. Public Plygrd Equip.

*14. Plygrd Surfacing Mat.

Indoor Air Quality:
15. Unvented Gas Htrs.
16. Pressed Wood Products
17. ASHRAE

Kerosene Heaters:
18. Organic Chemicals
*19. $NO_2$

1991 Request

Household Voluntary Stds:
1. Gas Control Valves
2. Central Furnaces
3. LP Gas Systems
4. Flexible Connectors

*5. Tap Water Control

6. LP Gas Odorization

7. Cigarette Lighters

8. Nightwear for Elderly

Drowning/Diving:
9. Pool Barriers
10. Diving

11. Riding Mowers

12. Home Plygrd Equip.

13. Public Plygrd Equip.

Indoor Air Quality:
*14. Unvented Gas Htrs.
*15. Pressed Wood Products

## MONITORING VOLUNTARY STANDARDS 1989-1991

### 1989 Actual

1. Wood Heating
2. Kersoene Htr. Flare-up
3. Fire Exting. & Systems
4. Diving
*5. TV Audiovisual Carts
6. Cords and Plugs
7. Electric Fans
8. Electric Outlets
9. Electrocutions-Ladders
10. National Electric Code (code clarification)
11. Portable Electric Htrs.
12. Hair Dryers
13. Chain Saws
*14. All-Terrain Vehicles
15. Toy Safety
16. Bicycle Helmets
*17. Play Yards (1990)
*18. Hook-On Chairs
*19. Strollers/Carriages (1990)
*20. High Chairs (1990)
21. Cribs-Structural Integ. (Portable)
22. Bunk Beds

Indoor Air Quality:
23. Humidifiers
24. Air Filtering Devices
*25. ASHRAE

Poison Prevention:
*26. Child Resistant Pkg. (4 stds)
27. Child Resistant Clos. Pkg. for Veterinary Drugs

28. Chronic Hazard Labeling Criteria

*29. Labeling of Arts/Crafts Material

### 1990 Operating Plan

*1. Wood Heating
2. Kerosene Htr. Flare-up
3. Fire Extinguishers
4. Wall Coverings
5. GFCIs/IDCIs
6. Electric Outlets
7. National Electric Code (code clarification)
8. Portable Electric Htrs.
9. Hair Dryers
*10. Chain Saws
11. All-Terrain Vehicles
12. Brushcutters
13. Snowthrowers
14. Garage Door Operators
15. Toy Safety
16. Bicycle Helmets
17. Cribs-Structural Integ. (portable)
18. Bunk Beds

Indoor Air Quality:
*19. Humidifiers
20. Air Filtering Devices

Poison Prevention:
*21. Child Resistant Pkg. (2 stds)

22. Chronic Hazard Labeling Criteria

*23. Labeling of Arts/Crafts Materials

### 1991 Request

1. GFCI/IDCI
2. Electric Outlets
3. National Electric Code (Code Clarification)
*4. Hair Dryers
5. All-Terrain Vehicles
*6. Toy Safety
*7. Bike Helmets
*8. Cribs-Structural Integrity (portable)
*9. Bunk Beds

Indoor Air Quality:
10. Humidifiers
11. Air Filtering Devices

Poison Prevention:
*12. Child Resistant Pkg. (2 stds)

13. Chronic Hazard Labeling Criteria

14. Labeling of Arts/Crafts Material

15. Kerosene Heaters $NO_2$

## NEISS

Mr. STOKES. Now, on page 22, you indicate that you are expanding NEISS, National Electronic Injury Surveillance System?

Ms. JONES-SMITH. Yes.

Mr. STOKES. Last year you estimated the cost of increasing the NEISS system by 27 hospitals would be $254,000. Is this still an accurate estimate?

Mr. MURR. That is accurate for a full year for the cost of the hospitals and the actual incidents they report.

There are, as we begin to gear this system up, there are other costs associated with starting up those hospitals that are not in that $256,000, which is the actual contractual arrangement with the hospital.

The other costs include things like training the hospital personnel. Providing the hospital with the proper computerization, and the recruitment cost associated with CPSC staff making the trips to recruit these hospitals. I won't make it sound difficult to recruit the hospitals, but basically it takes a little bit of selling and usually a few visits there to get them interested enough in our program to get them to participate, because really, for the amount that we compensate them for the cases they report, it is not a real big bargain for them.

Frankly, most hospitals agree to participate in our system simply because they are also interested in health and safety, but not by any means for a financial windfall that they may get through participation.

Mr. STOKES. What is the yearly cost of running the system?

Mr. MURR. The yearly cost of just the operation itself of getting the cases from the hospital in fiscal year 1990 we estimate to be about $622,000. I say estimate because it is paid on a per case basis, and the estimate is based on the historical information that we have from those hospitals of approximately how many cases they will report to us in a year.

Where it gets more difficult to estimate is with new hospitals. In 1991, the estimate of $256.000 for the additional hospitals, is for hospitals that haven't reported to us yet. It is our estimate based on looking at the hospital's records, and talking to them about how many cases they would report in a year.

So that, for the 27 that we add, the estimate is subject to change, depending on how many cases they actually report to us. We have no historical basis to go on in those cases.

Mr. STOKES. Is one FTE adequate to handle the increase in surveillance and cases estimated at 80,000 cases?

Mr. MURR. In terms of doing the actual investigations, you mean, or——

Mr. STOKES. Yes.

Mr. MURR. Well, clearly, the more FTES we could devote to it, the more investigations we could do, certainly.

One thing that complicates this a bit in 1991 is that the staff who do investigations from headquarters will, in the latter part of 1990, and into the beginning of 1991, be devoting some of their time to the recruitment of the new NEISS hospitals.

Our feeling is that once the hospitals are on board and running in 1991, the CPSC staff will be able to devote most of their time to the investigation rather than the recruitment.

But, yes, clearly the more people we have, the more investigations we can do.

Mr. **Stokes**. Are these hospitals in both rural and suburban communities?

Mr. **Murr**. They are in rural communities, suburban communities, inner cities. It is a statistically drawn sample from which we can make national projections of the numbers of injuries associated with consumer products that are treated in an emergency room setting.

Mr. **Stokes**. I would appreciate it if you would put into the record a listing of the hospitals and their locations.

Mr. **Murr**. Sure, no problem.

[The information follows:]

## NEISS HOSPITALS

The name and location of the 65 hospitals currently participating in the NEISS system are included in the following table. The 27 new hospitals the Commission would like to add to the system have been identified based on statistical criteria, but they will not be notified until recruitment actually begins later this year. They are located in the following states:

| State | Number of New Hospitals |
|---|---|
| Alabama | 2 |
| Arkansas | 1 |
| Arizona | 1 |
| California | 1 |
| Connecticut | 1 |
| Georgia | 1 |
| Illinois | 2 |
| Michigan | 1 |
| Minnesota | 1 |
| Missouri | 1 |
| North Carolina | 1 |
| New Jersey | 3 |
| New York | 2 |
| Ohio | 1 |
| Pennsylvania | 2 |
| Rhode Island | 1 |
| Tennessee | 1 |
| Texas | 1 |
| Washington | 3 |
| Total | 27 |

## NEISS Hospitals: Current Sample
## February, 1990

| | NAME | CITY | STATE |
|---|---|---|---|
| 1 | Randolph County | Roanoke | AL |
| 2 | National Park Med | Hot Springs NP | AR |
| 3 | Medical Park | Hope | AR |
| 4 | Gila River Indian | Sacaton | AZ |
| 5 | Good Samaritan | Phoenix | AZ |
| 6 | Arizona Health Sc | Tucson | AZ |
| 7 | Bay Harbor | Harbor City | CA |
| 8 | Sutter Solano | Vallejo | CA |
| 9 | John C. Fremont | Mariposa | CA |
| 10 | Mount Zion | San Francisco | CA |
| 11 | Mount Sinai | Hartford | CT |
| 12 | Punta Gorda | Punta Gorda | FL |
| 13 | Fawcett | Pt. Charlotte | FL |
| 14 | Martin Army-Ft Ben | Ft.Benning | GA |
| 15 | Rockdale County | Conyers | GA |
| 16 | Hegg Memorial | Rock Valley | IA |
| 17 | Shelby County | Harlan | IA |
| 18 | Moritz Community | Sun Valley | ID |
| 19 | Hopedale | Hopedale | IL |
| 20 | Mercy Medical Ctr | Chicago | IL |
| 21 | Memorial, Chester | Chester | IL |
| 22 | Daviess County | Washington | IN |
| 23 | Marion General | Marion | IN |
| 24 | Noble | Westfield | MA |
| 25 | Union of Cecil Co | Elkton | MD |
| 26 | AMI Doctor's | Lanham | MD |
| 27 | Shady Grove Adv | Rockville | MD |
| 28 | Madison Community | Madison Hts. | MI |
| 29 | Scheurer | Pigeon | MI |
| 30 | St. Francis | Escanaba | MI |
| 31 | Zumbrota Community | Zumbrota | MN |
| 32 | Deaconess | St. Louis | MO |
| 33 | Walthall County | Tylertown | MS |
| 34 | N. Mississippi Med | Tupelo | MS |
| 35 | Fallon Memorial | Baker | MT |
| 36 | Moore Regional | Pinehurst | NC |
| 37 | P.H.S. Indian | Belcourt | ND |
| 38 | Mary Lanning Mem'l | Hastings | NE |
| 39 | Box Butte | Alliance | NE |
| 40 | Geneva-Taylor | Geneva | NY |
| 41 | Horton Mem'l | Middletown | NY |
| 42 | Winthrop Univ. | Mineola | NY |
| 43 | Bronx-Lebanon | Bronx | NY |
| 44 | United Health | Binghamton | NY |
| 45 | Kings County | Brooklyn | NY |
| 46 | St Vincents | Staten Island | NY |
| 47 | Good Samaritan | Suffern | NY |
| 48 | East Ohio Reg'l | Martin's Ferry | OH |
| 49 | O'Bleness Mem'l | Athens | OH |
| 50 | Fairfax Memorial | Fairfax | OK |

### NEISS Hospitals: Current Sample
### February, 1990

| | NAME | CITY | STATE |
|---|---|---|---|
| 51 | Sunbury Community | Sunbury | PA |
| 52 | Waynesboro | Waynesboro | PA |
| 53 | Brandywine | Coatesville | PA |
| 54 | Univ of Penn | Philadelphia | PA |
| 55 | Children's-Phila | Philadelphia | PA |
| 56 | Pavia | San Juan | PR |
| 57 | St. Luke's-Midland | Aberdeen | SD |
| 58 | Clay County | Celina | TN |
| 59 | West Community | West | TX |
| 60 | St. Joseph | Bryan | TX |
| 61 | Orem | Orem | UT |
| 62 | Wythe Community | Wytheville | VA |
| 63 | Brattleboro Mem'l | Brattleboro | VT |
| 64 | Meriter | Madison | WI |
| 65 | Washakie Mem'l | Worland | WY |

## INVESTIGATIONS

Mr. STOKES. On page 23, you indicate that you will reduce the number of FTEs involved in investigations by six in fiscal year 1990 and 1991. Yet you project to keep the number of investigations constant.

How is this possible?

Mr. MURR. The actual number of 27 FTEs—because we also felt was quite high. When we went back and looked it was higher than our originally planned figure. We have, in looking at our accounting system, identified time reported there that would be more appropriately reported to section 15 investigations rather than general investigations.

We did not change that after the fact, because we didn't want to tamper with our accounting system and the data, but we are taking steps to make sure that field personnel and headquarters' personnel who work in that area understand the clear difference between the two types of investigations and where they are to report it in the future.

That is the first reason. I think it is also a little bit of what I said before in terms of time spent between the different activities that the same staff will be doing from year to year.

In one case, they will be doing more at least for part of 1990, at least some of the recruitment of new hospitals, but we have tried to supplement that with some contract money that is available in some years, and not in others.

The major reason we think, however, is because of the incorrect reporting, which, as I said, we are taking steps to make sure it is correctly reported throughout this fiscal year.

## IMPORTED PRODUCTS

Mr. STOKES. Now, on page 42, you mention the poor compliance levels of imported products.

Early last month, two reputable American companies were fined for selling two different children's products that contained razor blade cutting knives. Both products were manufactured abroad. However, the American distributors certainly should have noticed such a blatantly unsafe product.

Are you discovering an increasing problem with distributors violating product safety regulations?

Ms. JONES-SMITH. With regard to children's toys?

Mr. STOKES. Children's products.

Ms. JONES-SMITH. Distributors of children's products?

Mr. STOKES. Yes. These imported products.

Ms. JONES-SMITH. First of all, toys are a major source of imports, and there are a number of toys that are coming in. It is an area that we are concentrating on.

I cannot say for sure whether we are seeing an increase in noncompliance, and I think we can look back at those numbers and provide you with information. But we are continuing to conduct ondock surveillance with regard to imported toys and noncomplying toys, and where there are problems, we are dealing with them.

But whether we are seeing an increase in noncompliance, I can't say. But with the import surveillance program, the one thing that is definitely happening is that, even if the toys are not complying, they are not reaching the retail shelf because they are being stopped at the docks.

And I think one of the great beauties of this program, is that the toys do not reach the retailer shelves, since many toys are imported. If there is an increase in those, we are finding them and we are stopping them before they even get to the hands of the consumers.

We can provide you with further information and numbers in terms of what types of information is coming in with our imports.

Mr. STOKES. Why don't you expand upon that in the record.

Ms. JONES-SMITH. Yes, we will.

[The information follows:]

### EFFECTIVENESS OF TOY IMPORT SURVEILLANCE PROJECT

The CPSC Toy Import Surveillance project has increased toy safety both directly and indirectly. In 1987, 66% of imported toys tested failed CPSC requirements. To date in 1990, the rate has been reduced to approximately 50% of those toys selected for testing. By identifying shipments of noncomplying hazardous toys and having them seized by U.S. Customs, the CPSC prevented 265 shipments of toys consisting of more than one million units from reaching the marketplace and consumers in 1989. Such seizures result in lost income to importers. This lost income, we believe, has motivated importers to make a greater effort to comply with CPSC safety requirements to avoid losing future shipments of toys.

Other efforts we have undertaken to improve the safety of imported toys include participation in seminars in both the United States and the Orient to educate importers and foreign and domestic manufacturers about toy safety regulations and the importance of complying with these regulations. A number of importers who have repeatedly violated toy safety regulations have been the subject of injunctions to discourage future violations. Similar injunction actions are being initiated against other repeat violators, and additional actions are planned for the future.

### PRODUCT RECALLS

Mr. STOKES. Under Section 15 activities on page 40, you indicate you perform approximately 400 recall effectiveness checks. What is the average return rate on product recalls?

Mr. MURR. Again, I can give you very specific information for the record. I would like to say, though, that it varies greatly, depending on the type of product.

The general experience is that smaller, less costly items are, obviously, less frequently returned on a recall. The higher the dollar value of the item, more generally you will get more returns.

We have to look at questions like is the product a relatively disposable one, which sometimes relates to cost. If it is, people will more likely throw it away.

How many companies produce it and how many there are in the market place greatly adds to the complexity of successfully completing the recall.

What we try to do in negotiating with each firm on a case by case basis is ensure that they take up a large part of the burden of putting the notice of the recall out as far as they can. We usually require them, again, depending on the number out there, the size of the firm, et cetera, to provide various types of information to consumers.

It could be point of sale information in terms of posters. It could be advertising in magazines and newspapers. That all depends on each case.

If the Commission staff wants a recall or a corrective action plan has been negotiated with the firm and is in place, we don't close the case. We continue to look at that, sometimes for years afterwards, to monitor the recall itself, and if we don't think the firm is doing enough to put the word of that recall out or get enough of the products back, we will go back to them again.

Lastly, an important item that the Chairman touched on earlier is that we do have some ideas about how to further get the message of a recall out and they do include the use of electronic media, which we think, given the present age, would be a much more efficient way of reaching and informing consumers that products have been recalled.

[The information follows:]

### SECTION 15 RECALL RETURN RATES

The average return rate for section 15 recalls ranges from 20%-30%. Specific recalls may run as high as 60%-70% or higher depending upon the product's nature, original cost, useful life, and the consumer group using it. For example, underwater diving equipment recalls generally exhibit very high return rates. We believe that this is due to the safety considerations that most divers follow when engaged in this sport, and they therefore take action when public notice announcements convey product defects. Similarly, high cost items such as furnaces or large home applicances may have high return rates due to the ability to identify the owners and the owners' expectations as to the life of the product. Conversely, inexpensive products many times show low return rates. While consumers are made aware of the potential hazard via the various methods of public notice, we believe that they many times choose to not avail themselves of the remedy, i.e., repair, replacement or refund.

Mr. STOKES. Do you think that is the best way of getting the information to the consumer.

Mr. MURR. Well, I think it is a combination of strategies and it, depends a little, on the product and where and how it was sold.

Some things that we recall, scuba diving equipment for example, is so specific and has such a narrow audience, that that may not be an appropriate way to do that one. A simple advertisement by the manufacturer of the recall in some of the magazines associated with that hobby would probably be a better way.

But if the product is one that is in the general use of most Americans, then the media certainly gets the word out fast and is much more far reaching.

We found that most TV stations at this point have some form of consumer reporting. There is a ready audience for this, and if we could provide them with video tapes of the products, describing what the problem is, they will use it. We think that could be a pretty effective way of doing it.

Ms. JONES-SMITH. The other important, I think, Mr. Chairman, aspect of video recall is that, first of all, you have a number of people these days who aren't going to read newspapers or who can't read newspapers, but many more people—we know millions—are looking at television. Many times it is much easier to explain what a problem with a product is to see the actual demonstration of a product with a video recall, and people can see the danger, as opposed to reading it in the newspapers.

For those people who do read it, it may not have the real impact of seeing it on television. And for those people who don't read—and there are many Americans who do not—being able to tap into the television, first of all, it is going to hit all members of the family, maybe not just parents, but older children are going to see it and point it out to their parents. It is going to reach a wider audience. Electronic media is being used by a number of educational and groups that put forth information.

I think, for this agency, it is just us getting up to where the state-of-the-art is in getting out the word.

Mr. STOKES. I suppose notwithstanding that, the probability is that we still may not reach a large number who are affected by recalls.

Ms. JONES-SMITH. I am sure we don't possibly, Mr. Chairman. I think we just have to keep trying and looking for the better ways that we can. I think it does us no good to pull back products and to have them recalled if we don't let people know about it. And video recall is not going to be the solution for everything, but it is one more way I think of reaching the consumer and letting them know what the problem is.

Mr. STOKES. All right.

Mr. Green?

Mr. GREEN. I have no further questions, Mr. Chairman.

## AGENCY MANAGEMENT

Mr. STOKES. Okay.

A couple of other questions. An area that we and others have been critical of CPSC is the amount of resources you devote to agency management. With the exception of compliance and enforcement, more resources are devoted to agency management than any other area, 24 percent of your total budget.

By our account, you have about 10 different divisions relating to agency management, seven of which have 10 or fewer FTE, some have only two or three, each headed by a GM 15 or greater employee.

Now that the Commission has all of its commissioners on board, do you have any plans to reorganize and consolidate some of these offices?

Ms. JONES-SMITH. One of the things that I want to look at as chairman, and want to put some effort into is looking at agency operations, looking at the way we handle things. Getting a full understanding of the management, and possibly looking at better and more improved ways of making us a little more efficient so that we can, first of all, do a better job of handling our projects, not only more efficiently getting our work done, but also of functioning a little better given our current resource history.

Since I have been chairman, one of the things that I have been doing, I think it was within the first two weeks of my tenure, was to start having very detailed briefings with the heads of all the directorates and offices within the agency to get a feel for how things run at this point. I think it is an ongoing process in terms of timetable, I think it takes, for me as chair, and as administrator of the agency, a little more time in seeing how things run, but it is something I intend to focus on because I think it is one of the ways that we can possibly address more effectively our best use of resources.

So I intend to look very carefully at the agency, Mr. Chairman.

Mr. **Stokes**. So you would agree that our concerns in this area are valid?

Ms. **Jones-Smith**. I think overall, I think management of the agency in terms of numbers have gone down.

I would like to refer you to page 15 of the budget at the bottom of the page.

In terms of the percentage of the budget from 1985 to the 1991 request, the percentage of the budget that that agency management occupies.

So it has gone down. We have seen it decrease over the years, and I think that is, I think, for me, I think, a positive sign, but it is certainly an area that I think we need to look at. I can't say one way or the other—since I haven't been at the agency long enough to make a full assessment—whether I agree completely with your estimate that we are a totally inefficient and unmanaged agency, and whether we are too top heavy with the management, but I think it is an area I want to look at and explore.

Mr. **Stokes**. Basically that is my concern. I note from 1985 to 1991 you went from 27 percent to 24 percent, which is not a substantial decrease. But you still remain very top heavy in terms of the chiefs in relation to the number of employees that they are chiefs over.

Mr. **Murr**. One of the things I might add to this is that to a certain extent, being an independent agency, some of the items that we account for in here, and some of them may be part of the problem, is having the five budget programs that we do. These programs include some very basic things that really aren't chiefs. They are our financial management system, personnel management services, the people who run the phones and the lights and a lot of items of that sort that probably make up the bulk of this program.

The management types would be the commissioners themselves, the office of the executive director, the office of the general counsel, and offices of that sort. And I think that is what the chairman intends to take a very close look at.

Mr. **Stokes**. Okay. Anything further, Mr. Green?

Mr. **Green**. No. Thank you.

Mr. **Stokes**. All right.

That then completes our hearing. I think we have had a good hearing.

Ms. **Jones-Smith**. Thank you very much, Mr. Chairman.

Mr. **Stokes**. And it has been a pleasure to have you here, Chairman Jones-Smith and Commissioner Dawson, Commissioner Graham. It is a pleasure to have had you, and I want to thank you very much.

Ms. **Jones-Smith**. Thank you very much, Mr. Chairman.

## Questions for the Record Submitted by Congressman Jerry Lewis

### ATV Deaths

*Question*. Do you know the number of reported ATV-related deaths for calendar year 1989?

Answer. As of December 21, 1989, we had 153 deaths reported. A complete report of 1989 deaths will not be available until late in 1990.

## ATV MONITORING CONTRACTS

*Question.* What was the amount of contract funds for state assistance in the ATV monitoring project in the last two fiscal years? How much of a cut are you contemplating in this year's request?

Answer. State ATV monitoring contracts over the 1989-1991 period are:

| | |
|---|---|
| 1989 | $152,000 |
| 1990 | 106,000 |
| 1991 | 50,000 |

The 1991 budget request reflects a reduction of $56,000, or about half of the 1990 amount. The Commission feels that this amount will allow for sufficient general monitoring of the industry barring any unforeseen problems and, depending upon the outcome of current negotiations with the industry regarding dealer compliance, with the terms of the ATV consent decree.

### CONSENT DECREE AS A MODEL FOR FUTURE ACTIONS

*Question.* Would you point to the ATV consent decree and voluntary standard as a model for future CPSC actions? If not, what would you change?

Answer. (Chairman Jones-Smith and Commissioner Dawson) The Commission tries to resolve cases under terms that will provide the necessary relief to consumers who have been subjected to an unreasonable risk of injury associated with a consumer product. The issues associated with ATV safety have been some of the most complex dealt with by the Commission. The approach the Commission took was highly systematic including the establishment of the ATV Task Force which coordinated the Commission's response. The ATV case was unique in that the action involved essentially an entire industry of distributors of a product, and sought not only remedial relief to alleviate an imminent hazard with regard to products already sold and to be produced, but also sought to encourage completion of work that had already begun on a safety standard for the product. It is not clear whether a similar situation may occur that requires such a comprehensive solution. Although there has been a significant reduction in the tragic toll of ATV injuries and a projected decrease in deaths as a result of the Commission's efforts, more work is needed in obtaining dealer compliance with the age recommendations and furthering development of a dynamic standard for lateral stability. The Commission will have learned from these experiences and will be in a better position to address similar safety issues in the future.

The settlement in the ATV case may also be instructive in the sense that some of the relief contained in the consent decree may also be applicable to other cases. This is due to the fact that the relief contained in the consent decree is extremely comprehensive and includes forms of relief that the Commission had never obtained before. For example, the Commission worked with the industry to create a whole new set of safety warnings which would most effectively advise consumers as to the various hazards associated with ATVs. These warnings appeared on new labels, hang-tags, owner's manuals, and as part of a multi-media notice campaign, utilizing network, cable and spot TV ads and print ads in nationally distributed publications. Another example of the unique relief contained in the decree is the requirement that the distributors implement a nationwide training course for all ATV purchasers and members of their families. This is not to say that all of the relief contained in the consent decree may be applicable to other cases, but in appropriate cases in the future, certain of the provisions contained in the ATV consent decree may be considered to be a model for CPSC action.

Answer. (Commissioner Graham) No. While there are many strong and effective provisions in the consent decree, I would have established remedies for adults who purchased three-wheeled ATVs or adult-sized ATVs for children. Further, I would have required that the voluntary standard be developed within the statutory criteria of Section 9 of the Consumer Product Safety Act.

[The justifications follow:]

U.S. Consumer Product Safety Commission

# 1991 BUDGET REQUEST

Submitted Concurrently to
the Congress and the Office of Management
and Budget

January 1990

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## COMMISSIONERS' STATEMENT

This Budget Request For Fiscal Year 1991 is submitted by the Commissioners of the Consumer Product Safety Commission.

Jacqueline Jones-Smith
Chairman

Carol G. Dawson

Carol G. Dawson
Vice Chairman

Anne Graham
Commissioner

## APPROPRIATION LANGUAGE

## CONSUMER PRODUCT SAFETY COMMISSION

### SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, purchase of nominal awards to recognize non-federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $35,609,000: Provided, that not more than $365,000 of these funds shall be available for personnel compensation and benefits for the Commissioners of the Consumer Product Safety Commission. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990).

## I. OVERVIEW

| | 1989 Actual | | 1990 Appropriation | | 1991 Request | |
|---|---|---|---|---|---|---|
| | FTEs | Amount | FTEs | Amount | FTEs | Amount |
| Hazard Identification and Analysis. | 60 | $4,826 | 57 | $4,791 | 58 | $4,977 |
| Hazard Assessment and Reduction.... | 106 | 7,876 | 108 | 7,010 | 100 | 6,804 |
| Compliance and Enforcement......... | 176 | 10,583 | 193 | 12,234 | 187 | 11,940 |
| Consumer Information............... | 41 | 2,922 | 46 | 3,226 | 47 | 3,512 |
| Agency Management.................. | 119 | 7,964 | 125 | 7,886 | 121 | 8,376 |
| TOTAL.................. | 502 | $34,171 | 529 | $35,147 | 513 | $35,609 |

The 1991 budget request for the Consumer Product Safety Commission is $35.6 million, an increase of $0.5 million over the 1990 appropriation. It represents a funding level $1.7 million below the current services requirement. While the Commission maintains an official employment ceiling of 529 FTEs in 1991, 513 FTEs can actually be supported at the request level. Should financial circumstances allow during the year, the Commission will consider increasing the on-board strength up to the 529 FTE ceiling.

The long-term trend of resource reductions experienced by the Agency continues through 1991, as shown in Charts III and IV (pp. 18-19). As shown in Table 2 (p. 12), the Commission has lost nearly $10 million in purchasing power since 1985. The average cost per FTE has risen by nearly 30% since 1985 due to pay raises, higher retirement benefit costs, health insurance increases, and other salary adjustments. The 1991 budget request, for example, incorporates annualization of the 1990 pay raise, the January 1991 executive level increase, and a 3.5% pay raise for all employees also effective in January of 1991.

The 1991 budget will permit the Commission to meet the demands of its statutory mission and maintain most programs and activities during the year. In order to achieve the greatest possible safety impact in 1991, the Commission will continue to develop alternative means of achieving program goals with more limited funding support by cooperating with outside organizations committed to improvement in product safety. An example is the cooperative approach to standard development taken in the Hazard Assessment and Reduction program. In most of the 1991 projects, including those to be conducted under an advance notice of proposed rulemaking, voluntary approaches will be pursued with industries willing to set and meet their own stringent safety standards. Development of voluntary standards usually involves fewer Federal dollars than comparable regulatory actions. Some of the fruits of past efforts are shown in Charts I and II, which document reductions in product-related electrocutions and residential fires, respectively. The associated safety improvements include many important voluntary actions on the part of the affected industry. Likewise, recent CPSC accomplishments worthy of note (pp. 9-10) include voluntary actions taken in conjunction with organizations such as ASTM on swimming pool, spa, and hot tub covers, with the National Fire Protection Association's National Electric Code and Underwriters Laboratories on immersion protection for hand-held hair dryers and hydromassage units, and with the American National Standards

Institute (ANSI) on speeding up the standards development process for national consensus voluntary standards.

Program improvements for 1991 include an enhancement in the depth and accuracy of product-related injury estimates made by the Commission's major data base, the NEISS hospital surveillance system. Nearly 50% more injury cases will be obtained by adding 27 new hospitals, placing the system one step closer to the optimal injury sample size as initially designed. Product-related injury trends will be identified more quickly, and more representative injury cases will be available for in-depth study.

An improvement is also expected for 1991 in the Commission's ability to address substantial product hazards through the Section 15 compliance program. A targeted effort is currently underway to improve manufacturer reporting of serious defects and other safety problems with their products, and to develop alternative sources for bringing safety concerns to the Commission's attention. Preliminary indications are that this will be successful; one important component which has already been established is a mechanism with the Administrative Office of the U.S. Courts to obtain a quarterly listing of all product liability cases filed in the U.S. Court system. To the extent that more important cases are automatically reported to the Commission, the Section 15 program will be more effective in preventing deaths and injuries at little or no additional cost to the Agency.

While less costly approaches and program efficiencies will be developed or continued where possible in 1991, some program reductions will have to be made to achieve the lower operating levels reflected in the budget request. The Commission believes that the most important resource available to it, a cadre of skilled and experienced staff, must be kept intact if a balanced approach to product safety is to be continued. They permit the Commission to speak with authority on product safety issues, and take judicious action fully supportable by death and injury data, technical assessments, and compliance information. Thus, permanent employees will be retained, and only the cooperative student education program will be eliminated entirely.

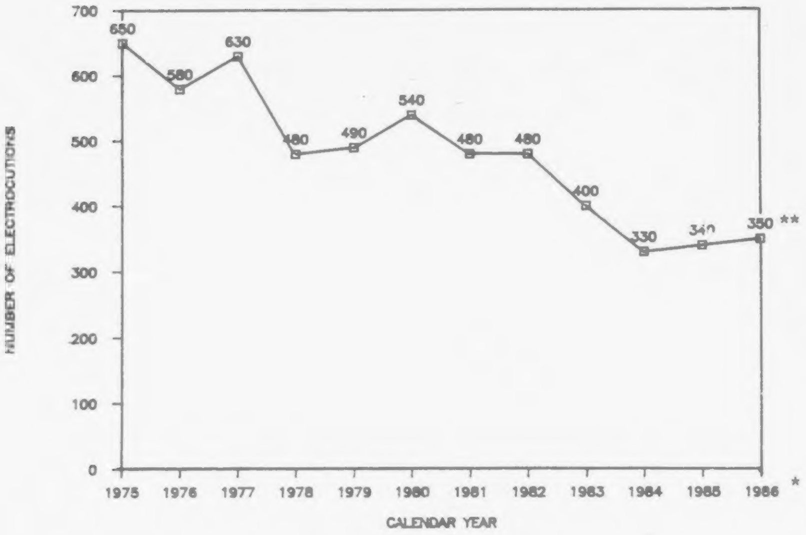
Reductions in non-salary support costs will have to be made and are reflected throughout the budget document. For example, hazard contract resources decline from $1.1 million in 1989 to zero in 1991 (Chart V, p. 20). State and local contracts, primarily for assistance in ensuring compliance with Commission regulations, decline by two-thirds over the 1989-1991 period (Table 5, p. 16). Funds for printing safety brochures, pamphlets, and other items decline by 28%; new and replacement equipment purchases drop from $631,000 to zero; and supply purchases must be held to a level considerably below that of 1989. Reductions in contracts and other support costs have, to the extent possible, been limited to areas where staff can conduct comparable activities in-house, or where savings can be achieved through careful management of the remaining resources. Several contract efforts have been reduced rather than eliminated entirely to provide just such flexibility.

In spite of the budget reductions, no project or activity deemed critical to the Agency's safety mission will suffer serious disruption, nor will the core staff complement be affected. The Commission remains committed to improving the safety and protection of consumers to the greatest extent possible, through those means and such resources as are available to us.

Appropriation language proposed for 1991 continues the limitation on Commission membership to three, pending passage of reauthorization legislation. Proposed new language would permit the Commission to provide nominal awards, usually plaques, to outside officials at the annual awards ceremony in recognition of their support and cooperation with CPSC in efforts to improve product safety.

CHART I

ESTIMATED PRODUCT-RELATED ELECTROCUTIONS



## SAFETY IMPROVEMENTS

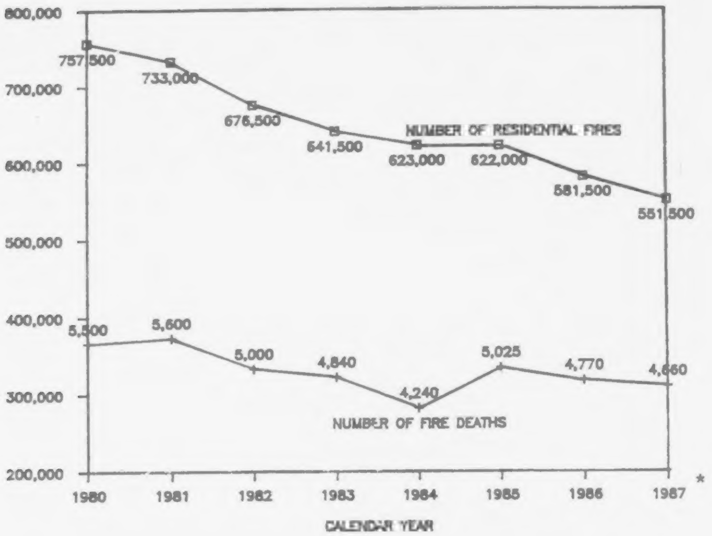
| | |
|---|---|
| 1973 | CPSC-submitted recommendation to the National Electrical Code (NEC) required ground fault circuit interrupter (GFCI) protection on outdoor circuits. |
| 1975 | CPSC recommendation to NEC required GFCI protection on bathroom circuits. |
| 1978 | CPSC recommendation to NEC required GFCI protection on garage circuits. |
| 1978 | CPSC antenna rule became effective requiring labeling to warn consumers of the hazard of power line contact. |
| 1983 | CPSC CB omni-directional antenna standard became effective. |
| 1975-1986 | Increased use of double-insulated power tools. CPSC provided data to the industry and participated in development of the voluntary standard. |
| 1975-1986 | CPSC involved in numerous voluntary standards which reduced electrocution hazards. (For example, improved requirements for extension cords, portable lamps, and television sets). |

* Last year for which data are available.

** Increase not statistically significant, 1984-1986.

CHART II

ESTIMATED RESIDENTIAL STRUCTURAL FIRES



CPSC ACTIVITIES RESULTING IN SAFETY IMPROVEMENTS

| | |
|---|---|
| 1971-1974 | CPSC published children's sleepwear flammability standards. |
| 1973 | CPSC mattress flammability standard went into effect. |
| 1978 | CPSC cellulose insulation standard published. |
| 1978-1986 | UFAC and CPSC worked to establish and upgrade an upholstered furniture voluntary program. |
| 1980-1986 | Voluntary standards developed on kerosene heaters with CPSC participation. |
| 1982-1987 | Annual home heating information programs conducted by the Commission. |
| 1983 | CPSC issued wood stove labeling regulation. |
| 1983-1985 | CPSC conducted smoke detector information and education program. |
| 1975-1987 | Voluntary standards developed on gas and wood heating equipment with CPSC participation. |

* Last year for which data are available.

## RECENT CPSC ACCOMPLISHMENTS

### Standards Development

- Fifteen new, revised, or reaffirmed voluntary standards were approved by standards development organizations during 1989 with Commission input.

- At the urging of the Commission and with our participation, ASTM developed and published an emergency voluntary standard on covers for swimming pools, hot tubs, and spas. This standard will help prevent drownings, particularly to children trapped on or under the covers.

- The National Electrical Code (NEC) and Underwriters Laboratories (UL) adopted immersion protection requirements for hand-held hair dryers and hydromassage units. These requirements, developed with CPSC technical support and data, will help prevent electrocution deaths.

- The NEC also adopted provisions requiring ground fault circuit interruption protection for kitchen island counters, crawl spaces, and unfinished basements. CPSC proposed and supplied data in support of these provisions.

- The American Furniture Manufacturers Association revised its Bunk Bed Safety Guidelines to address certain hazard patterns identified by the Commission, and submitted the guidelines for development as a consensus voluntary standard. The revisions address strangulation hazards for children under age six.

- At the request of the Commission, the American National Standards Institute (ANSI) and ASTM established ad hoc ~~groups~~ which have identified ways to speed-up and increase conformance to national consensus voluntary standards for consumer products.

### Other Hazard Activities

- During May and September of 1989, safety information on the risk of children under age 16 riding adult-sized ATVs was mailed to nearly 100,000 elementary, junior, and senior high schools. The mailing included a message from the Acting Chairman, a safety alert, and a warning poster; a video news release on ATV safety was also aired in July.

- A building code proposal requiring safety barriers for residential swimming pools, hot tubs, and spas was developed and submitted to the major model code organizations. The Commission is actively encouraging its adoption to prevent childhood drownings.

- A video news release on "Humidifier Safety" was broadcast by satellite to all TV stations in the country. An estimated 8 million TV viewing homes saw the safety message, about 10% of the viewing public. A safety alert was also released detailing how to properly use and clean humidifiers to minimize exposure to allergens and pathogens emitted by the product during its operation.

- The Commission developed the first prototype of a new child-resistant drug packaging design. Testing continues to determine its effectiveness in preventing child poisonings while improving accessibility to adults.

- The Commission issued a safety alert on lead poisoning hazards associated with do-it-yourself paint removal during the of older homes. CPSC also assisted the National Institute of Building Sciences and HUD in the development of guidelines for renovation where old, lead-containing paint may be encountered.

- To improve the Commission's data base, the NEISS hospital sample was updated to include representation for emergency departments coming into existence between 1975 and 1985. Ten new hospitals were added, six were dropped, and the weighting of other hospitals was changed to reflect the mix of hospital emergency rooms in operation today. In addition, old computer terminals in all hospitals were replaced with microcomputers which are faster, more reliable, and less expensive.

Enforcement Activities

- A concentrated sampling of imported fireworks at their point of entry resulted in over 500 individual violative shipments being stopped prior to distribution. These shipments had an estimated retail value of over $12 million.

- As a result of 260 Section 15 recalls and retrofit actions, the Commission removed 37 million individual product units from the marketplace in 1989.

- Joint import surveillance efforts by CPSC and the U.S. Custom Service prevented more than 1.1 million unsafe toys having an estimated value of $2.8 million from reaching the marketplace in 1989.

- During 1989, the Commission conducted an extensive surveillance effort to enforce its December, 1988 ban of lawn darts. Over 575 firms, including retail stores, all known importers, and one domestic manufacturer were inspected. Compliance with the ban was found to be substantial, with less than 5% of the firms found being in violation.

- CPSC monitoring of conformance to the hand-held hair dryer voluntary standard providing protection against electrocution while the switch is in the "off" position found that 23 manufacturers and importers were selling nonconforming hair dryers. Six voluntary recalls are now underway; many of the other dryers are under investigation.

- The Commission negotiated a settlement with a playground equipment manufacturer whereby the firm took corrective action involving five of its products and paid a civil penalty of $100,000. A total of $565,000 in civil penalities was accepted or provisionally accepted in calendar year 1989.

- A joint effort was conducted with the State of California to examine the reported high number of violative toys and baby rattles being sold at flea markets and swap meets in that State. It resulted in the identification of 16 violative operations, and injunctions against two importers.

- In conjunction with CPSC, a national fast food restaurant recalled 5.7 million promotional premiums from consumers and from 3,100 restaurants after receiving reports of small children ingesting the battery from the toy.

## TABLE 1
### 1991 Budget by Program/Subprogram
### (dollars in thousands)

| | 1989 Actual | | 1990 Appropriation | | 1991 Request | |
|---|---|---|---|---|---|---|
| | FTEs | Amount | FTEs | Amount | FTEs | Amount |
| Hazard Identification and Analysis: | | | | | | |
| Surveillance Data.............. | 19 | $1,676 | 19 | $1,781 | 21 | $1,997 |
| Investigation Data............. | 27 | 1,402 | 21 | 1,198 | 21 | 1,225 |
| NPI/Petitions.................. | 6 | 352 | 9 | 580 | 9 | 566 |
| Economic Studies............... | 3 | 197 | 3 | 189 | 2 | 170 |
| Management Support............. | 5 | 1,199 | 5 | 1,043 | 5 | 1,019 |
| Subtotal............... | 60 | 4,826 | 57 | 4,791 | 58 | 4,977 |
| Hazard Assessment and Reduction: | | | | | | |
| Fire/Household Products........ | 16 | 1,230 | 23 | 1,437 | 19 | 1,242 |
| Electrical/Mechanical/Children. | 37 | 2,618 | 33 | 2,127 | 31 | 2,059 |
| Chemical....................... | 27 | 2,087 | 23 | 1,474 | 21 | 1,406 |
| Laboratory Support............. | 4 | 416 | 5 | 327 | 5 | 331 |
| Management Support............. | 22 | 1,525 | 24 | 1,645 | 24 | 1,766 |
| Subtotal............... | 106 | 7,876 | 108 | 7,010 | 100 | 6,804 |
| Compliance and Enforcement: | | | | | | |
| Product Safety Assessment...... | 20 | 1,348 | 23 | 1,594 | 25 | 1,726 |
| Section 15 Activities.......... | 60 | 3,373 | 78 | 4,980 | 73 | 4,495 |
| Regulated Products............. | 77 | 4,349 | 76 | 4,573 | 74 | 4,665 |
| Voluntary Standards Conformance | 1 | 79 | 1 | 55 | 1 | 95 |
| Advice/Contingencies........... | 13 | 1,019 | 10 | 711 | 9 | 615 |
| Management Support............. | 5 | 415 | 5 | 321 | 5 | 344 |
| Subtotal............... | 176 | 10,583 | 193 | 12,234 | 187 | 11,940 |
| Consumer Information: | | | | | | |
| Hazard Projects................ | 2 | 251 | 2 | 131 | 3 | 202 |
| Continuing Publications and Outreach.................... | 11 | 883 | 11 | 897 | 12 | 975 |
| Clearinghouse.................. | 5 | 248 | 6 | 331 | 6 | 360 |
| Public Information Services.... | 20 | 1,344 | 25 | 1,621 | 24 | 1,690 |
| Management Support............. | 3 | 196 | 2 | 246 | 2 | 285 |
| Subtotal............... | 41 | 2,922 | 46 | 3,226 | 47 | 3,512 |
| Agency Management: | | | | | | |
| Commissioners and Staff........ | 10 | 743 | 13 | 912 | 13 | 1,058 |
| Commission Advice/ Legal Guidance............... | 20 | 1,606 | 23 | 1,588 | 23 | 1,727 |
| Executive Direction............ | 22 | 1,609 | 22 | 1,539 | 21 | 1,519 |
| General Administrative Services | 67 | 4,006 | 67 | 3,847 | 64 | 4,072 |
| Subtotal............... | 119 | 7,964 | 125 | 7,886 | 121 | 8,376 |
| TOTAL COMMISSION....... | 502 | $34,171 | 529 | $35,147 | 513 | $35,609 |

### TABLE 2
### Inflation-Adjusted Budget, 1985-1991
(dollars in thousands)

| | Inflation-Adjusted Budget 1/ | Actual Appropriation | Shortfall |
|---|---|---|---|
| 1985............... | $36,500 | $36,500 | --- |
| 1986............... | 37,449 | 34,452 | -$2,997 |
| 1987............... | 38,910 | 34,600 | -4,310 |
| 1988............... | 40,232 | 32,696 | -7,536 |
| 1989............... | 42,043 | 34,500 | -7,543 |
| 1990............... | 43,809 | 35,147 | -8,662 |
| 1991............... | 45,517 | 35,609<br>(request) | -9,908 |

---

1/ 1985 appropriation adjustment based on GNP deflator index.

### TABLE 3
### Summary of Changes, 1990 to 1991
(dollars in thousands)

| | Amount | FTEs | Explanation |
|---|---|---|---|
| 1990 Base | | | |
| Appropriation | $35,147 | 529 | |
| Mandatory Changes: | | | |
| Extra day of pay | +105 | --- | One extra day of pay in 1991. |
| Annualization of 1990 pay raise | +258 | --- | For one fiscal quarter. |
| Executive level pay raise | +302 | --- | Required amount for January, 1990 increase for 75% of year. |
| January 1991 general schedule pay raise (3.5%) | +622 | --- | For 75% of year. |
| Annualization of 1990 salary lapse | +459 | --- | First quarter 1990 savings while below position ceiling. Required to support 529 FTEs in 1991. |
| Retirement costs | +86 | --- | Additional FERS cost. |
| Within-grade increases | +87 | --- | Annual cost of within grade increases. |
| Merit pay increase | +67 | --- | Annual cost of increase. |
| Health benefit increase | +164 | --- | Increased based on 1989 actual experience. |
| Space rental increase | +151 | --- | Based on General Services Administration estimate and increased rental cost for Health Sciences laboratory space. |
| Telecommunications | -121 | --- | Cost reduction due to less expensive FTS 2000 system. |
| Subtotal | +2,180 | --- | |
| Program Reductions: | | | |
| Cooperative Education Students | -180 | -10 | Eliminate program. |
| Reduce FTEs | -300 | -6 | Reduce FTEs from various organizations. This reduction will affect all programs. |
| Hazard Contract Support | -116 | -- | Eliminate all hazard contracts. |
| Investigations | -30 | -- | Eliminate contract support for investigations in remote areas. |

| | Amount | FTEs | Explanation |
|---|---|---|---|
| State/Local Contracts....... | -$161 | -- | Eliminate hazard identification contract support and reduce compliance support to approx. 50%. Reduction includes ATV monitoring. |
| Product Safety Assessment... | -80 | -- | Reduce contract support by one half. |
| Lead in Water Coolers....... | -420 | -- | Contract work completed in 1990. |
| Support Contracts........... | -64 | -- | Net reduction in small support contracts such as toxicity support and Economics special studies. |
| Direct Support Costs........ | -367 | -- | Eliminate computer technical support and all computer and other equipment purchases. Reduce printing, travel, supplies, training, and other cost categories. |
| Subtotal Reductions. | -1,718 | -16 | |
| 1991 BUDGET REQUEST......... | $35,609 | 513 | |

## TABLE 4
## HISTORICAL CHANGES IN PROGRAMS, 1985-1991
(dollars in thousands)

| | 1985 Actual | 1986 Actual | 1987 Actual | 1988 Actual | 1989 Actual | 1990 Approp. | 1991 Request |
|---|---|---|---|---|---|---|---|
| Dollars | | | | | | | |
| Hazard Identification and Analysis | $4,657 | $4,546 | $4,685 | $4,447 | $4,826 | $4,791 | $4,977 |
| Hazard Assessment and Reduction... | 9,956 | 9,207 | 8,368 | 6,744 | 7,876 | 7,010 | 6,804 |
| Compliance and Enforcement........ | 8,979 | 8,902 | 10,173 | 9,900 | 10,583 | 12,234 | 11,940 |
| Consumer Information.............. | 3,508 | 3,160 | 3,203 | 3,249 | 2,922 | 3,226 | 3,512 |
| Agency Management................. | 8,673 | 8,405 | 7,716 | 7,998 | 7,964 | 7,886 | 8,376 |
| Total........................ | $35,773 | $34,220 | $34,145 | $32,338 | $34,171 | $35,147 | $35,609 |
| Field Offices............ | ($7,266) | ($7,299) | ($7,180) | ($7,425) | ($8,145) | ($8,625) | ($8,691) |
| FTEs | | | | | | | |
| Hazard Identification and Analysis | 60 | 61 | 61 | 56 | 60 | 57 | 58 |
| Hazard Assessment and Reduction... | 133 | 127 | 111 | 99 | 106 | 108 | 100 |
| Compliance and Enforcement........ | 158 | 153 | 165 | 166 | 176 | 193 | 187 |
| Consumer Information.............. | 56 | 50 | 47 | 48 | 41 | 46 | 47 |
| Agency Management................. | 153 | 151 | 129 | 127 | 119 | 125 | 121 |
| Total........................ | 560 | 542 | 513 | 496 | 502 | 529 | 513 |
| Field Offices............ | (154) | (145) | (137) | (129) | (145) | (153) | (149) |

PROGRAM PERCENTAGES

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
|---|---|---|---|---|---|---|---|
| Dollars | | | | | | | |
| Hazard Identification and Analysis | 13% | 13% | 14% | 14% | 14% | 14% | 14% |
| Hazard Assessment and Reduction... | 28% | 27% | 24% | 21% | 23% | 20% | 19% |
| Compliance and Enforcement........ | 25% | 26% | 30% | 31% | 31% | 35% | 34% |
| Consumer Information.............. | 10% | 10% | 9% | 10% | 9% | 9% | 10% |
| Agency Management................. | 24% | 24% | 23% | 24% | 23% | 22% | 23% |
| Total........................ | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Field Offices............ | (20%) | (21%) | (21%) | (23%) | (24%) | (25%) | (24%) |
| FTEs | | | | | | | |
| Hazard Identification and Analysis | 11% | 11% | 12% | 11% | 12% | 11% | 11% |
| Hazard Assessment and Reduction... | 24% | 24% | 22% | 20% | 21% | 20% | 20% |
| Compliance and Enforcement........ | 28% | 28% | 32% | 33% | 35% | 36% | 36% |
| Consumer Information.............. | 10% | 9% | 9% | 10% | 8% | 9% | 9% |
| Agency Management................. | 27% | 28% | 25% | 26% | 24% | 24% | 24% |
| Total........................ | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Field Offices............ | (28%) | (27%) | (27%) | (26%) | (29%) | (29%) | (29%) |

TABLE 5
Summary of Field Resources
(dollars in thousands)

| Staff (FTEs) | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Hazard Identification and Analysis | 26 | 25 | 24 |
| Hazard Assessment and Reduction... | -- | 1 | 1 |
| Compliance and Enforcement........ | 98 | 104 | 102 |
| Consumer Information.............. | 15 | 18 | 17 |
| Agency Management................. | 6 | 5 | 5 |
| TOTAL..................... | 145 | 153 | 149 |
| **State and Local Contracts** | | | |
| Hazard Identification and Analysis: | | | |
| Investigations.................. | $7 | $10 | -- |
| Compliance and Enforcement: | | | |
| Section 15 Support............... | 40 | 50 | $35 |
| Section 15 Network Support....... | 45 | -- | -- |
| Regulated Products (Domestic).... | 65 | 45 | 37 |
| Regulated Products (Import Program)...................... | 65 | 85 | 18 |
| ATV Monitoring.................. | 152 | 106 | 50 |
| Subtotal.......... | 367 | 286 | 140 |
| Consumer Information: | | | |
| Hazard Project Campaigns......... | 49 | -- | -- |
| TOTAL..................... | $423 | $296 | $140 |

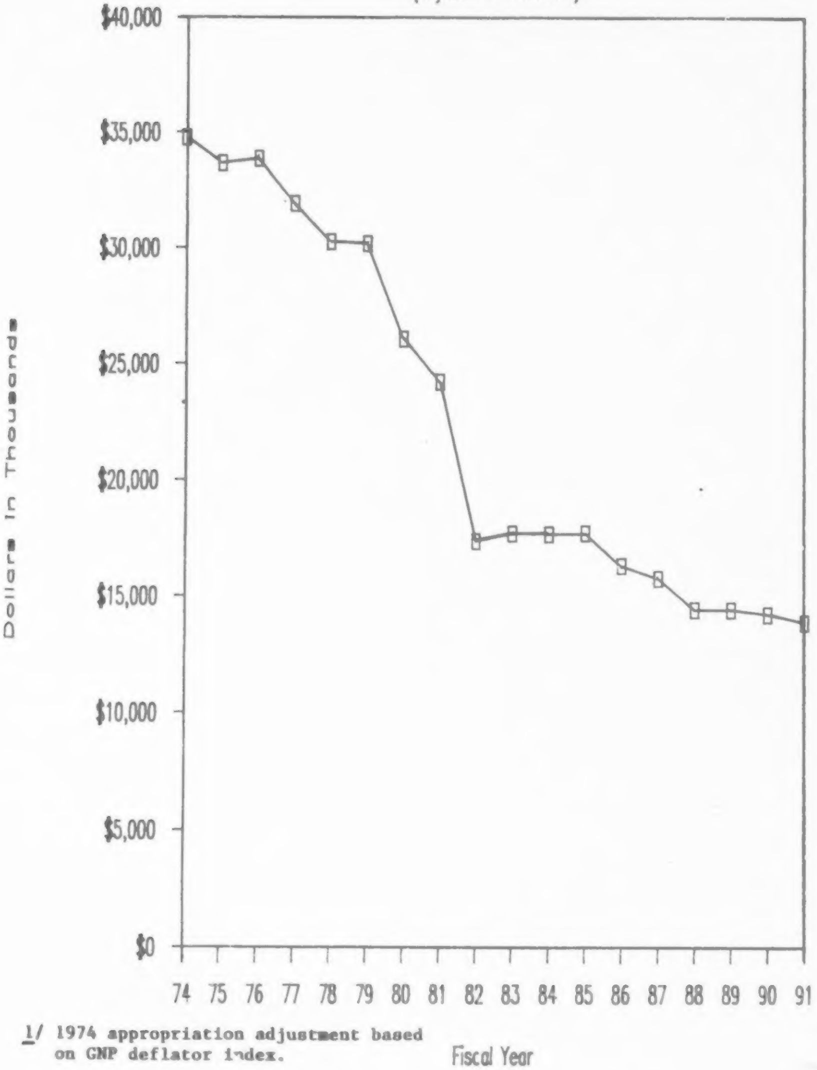
TABLE 6
Voluntary and Mandatory Standards Summary

| VOLUNTARY STANDARDS UNDER DEVELOPMENT | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Participating: | | | |
| Fire/Household | 14 | 10 | 10 |
| Electrical/Mechanical/Child | 5 | 4 | 3 |
| Chemical | 5 | 5 | 2 |
| Subtotal Participating | 24 | 19 | 15 |
| Monitoring: | | | |
| Fire/Household | 5 | 4 | -- |
| Electrical/Mechanical/Child | 17 | 14 | 9 |
| Chemical | 7 | 5 | 6 |
| Subtotal Monitoring | 29 | 23 | 15 |
| Total Voluntary Standards | 53 | 42 | 30 |
| MANDATORY STANDARDS UNDER DEVELOPMENT | | | |
| Fire/Household | 1 | 1 | 1 |
| Electrical/Mechanical/Child | 3 | 2 | 2 |
| Chemical | 6 | 6 | 4 |
| Total Mandatory Standards | 10 | 9 | 7 |

CHART III

CPSC FUNDING HISTORY 1974-1991

(Adjusted for Inflation) 1/



1/ 1974 appropriation adjustment based on GNP deflator index.

CHART IV

## CPSC STAFFING HISTORY 1974-1991

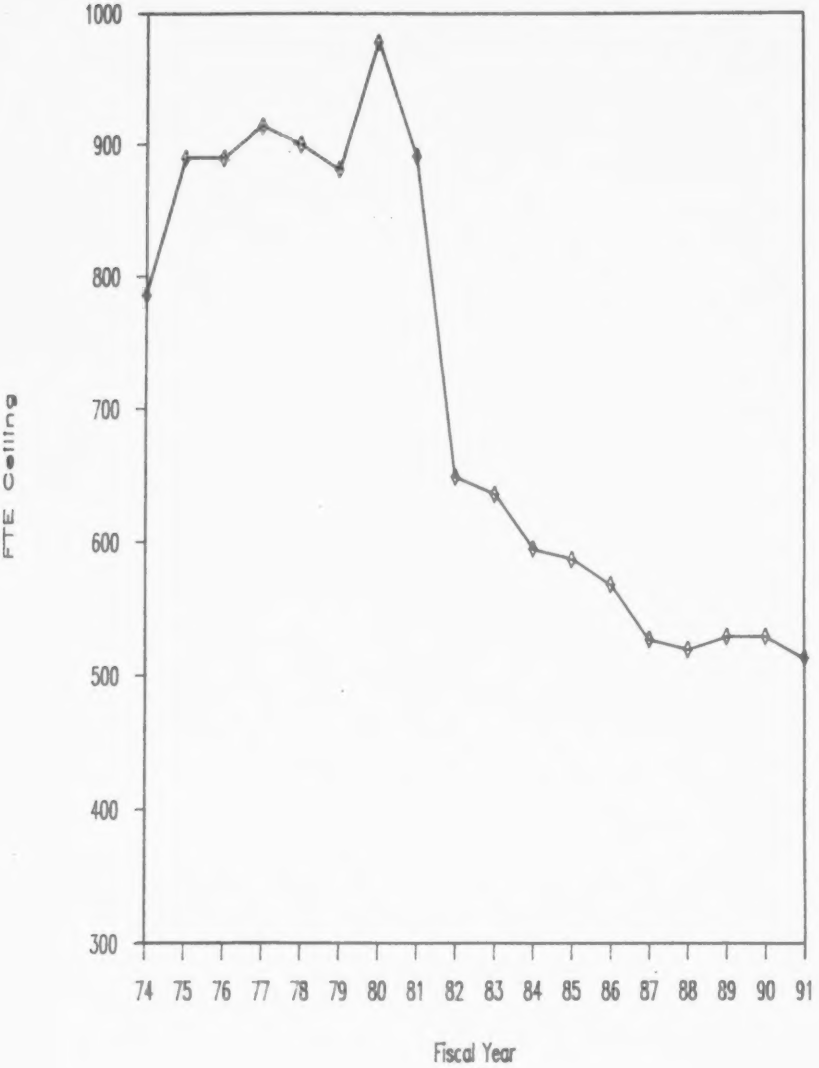
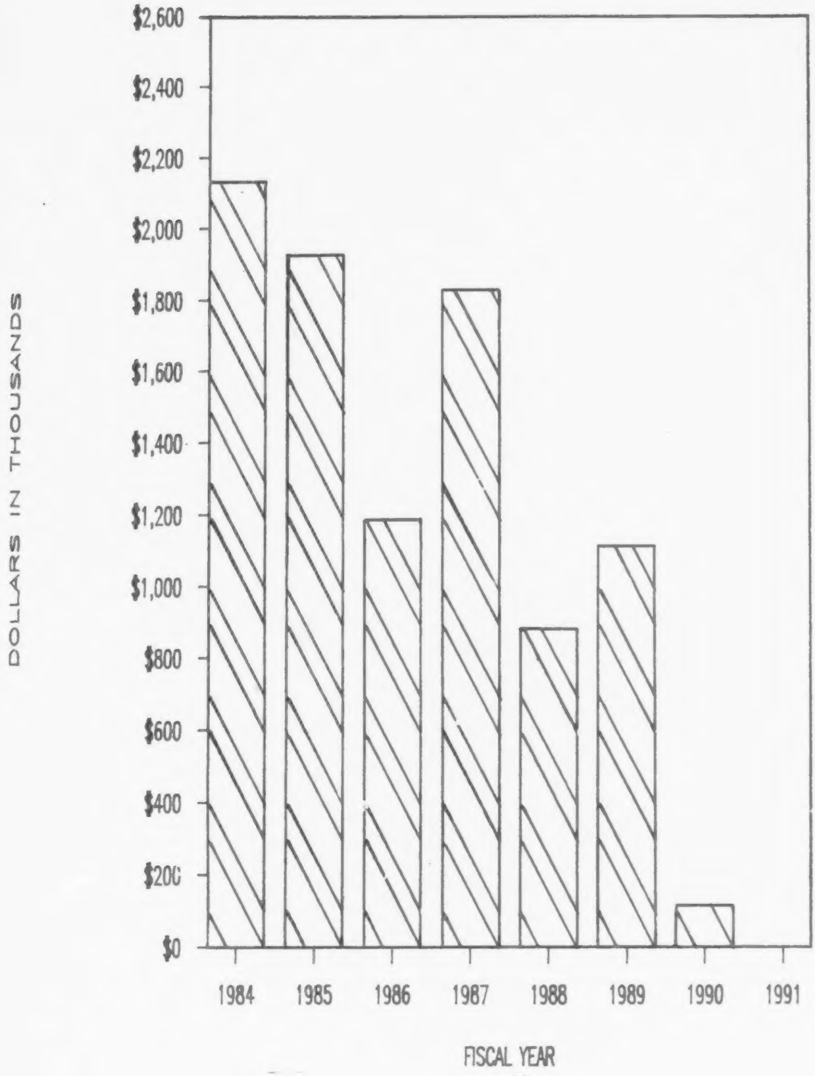


CHART V

## HAZARD PROGRAM CONTRACT SUPPORT



## III. HAZARD IDENTIFICATION AND ANALYSIS

| | 1989 Actual | | 1990 Appropriation | | 1991 Request | |
|---|---|---|---|---|---|---|
| | FTEs | Amount | FTEs | Amount | FTEs | Amount |
| Surveillance Data......... | 19 | $1,676 | 19 | $1,781 | 21 | $1,997 |
| Investigation Data........ | 27 | 1,402 | 21 | 1,198 | 21 | 1,225 |
| NPI/Petitions............. | 6 | 352 | 9 | 580 | 9 | 566 |
| Economic Studies.......... | 3 | 197 | 3 | 189 | 2 | 170 |
| Management Support........ | 5 | 1,199 | 5 | 1,043 | 5 | 1,019 |
| Total............. | 60 | $4,826 | 57 | $4,791 | 58 | $4,977 |

The purpose of the Hazard Identification and Analysis program is to provide the information base needed by the Commission to conduct all other aspects of its work. Data in the information base include statistics on injuries, deaths, methods of product use, manufacturers in production, and other information collected on a routine or an exceptional basis. They are used not only by CPSC but by many other Federal agencies, State and local governments, and private organizations and individuals working in the product safety field.

The most important change proposed for the Commission's data systems for 1991 is expanding the NEISS injury surveillance system by 27 new hospital emergency rooms, for a total of 92. This expansion is consistent with, but still less than the initially-designed sample size of 130 hospitals. The sample of 130 hospitals was identified in the 1978 NEISS system redesign to optimize case findings while providing a high level of precision in estimates. Hospital recruitment will begin in fiscal year 1990, with full implementation expected by December of this year. Other proposed improvements in the Commission's data system will be postponed until a future year.

The 1991 request provides a net increase of 1 FTE to support the NEISS expansion. Contract support for Investigations has been eliminated, and contract support for Economic Special Studies and Toxicity Support have been reduced to half of the 1990 amount in order to support the increased NEISS data collection costs.

### Surveillance Data

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs......................... | 19 | 19 | 21 |
| Amount....................... | $1,676 | $1,781 | $1,997 |
| NEISS Hospitals................ | 65 | 65 | 92 |
| Surveillance Cases............. | 165,000 | 165,000 | 245,000 |
| Death Certificates............. | 8,000 | 8,000 | 8,000 |
| MECAP Reports.................. | 1,200 | 1,500 | 1,800 |
| Newsclips...................... | 7,000 | 7,500 | 6,500 |
| Incident Reports............... | 6,000 | 6,000 | 6,000 |

The Surveillance Data subprogram includes activities to identify and record preliminary data on incidents of injury or potential injury associated with consumer products. It provides the basic data leading to Commission action on product hazards. The major surveillance data activities of the Commission include the National Electronic Injury Surveillance System (NEISS), mortality data (death certificates and medical examiner reports), and incident data (news clips and consumer complaints).

The NEISS project provides estimates of the frequency and severity of product-related injuries, and provides basic support for Commission action addressing most product hazards. NEISS is the only system able to produce such estimates in the country. It provides a primary source for investigations to determine and document the hazard patterns associated with products under Commission jurisdiction. The increased hospital sample size will provide 245,000 surveillance cases in 1991, an increase of nearly 50% over 1990. The increase is not proportional to the change in sample size because the new hospitals are considerably larger than average in size. The larger number of cases will permit the Agency to receive more injury reports on any newly emerging hazards, resulting in a quicker and more effective response before more injuries to consumers occur. It will also generate more quickly the required number of injury cases associated with particular hazard assessment studies, in order to facilitate in-depth investigations and support any actions the Commission elects to take.

The Mortality Data project supports the purchase, review, and processing of death certificates from all 50 states, and death reports from participating medical examiners. The data are used to make current estimates of the numbers of deaths associated with specific products and hazards, and provide a useful source of investigation leads to support hazard projects and Section 15 actions. Death certificates have been extremely valuable for such diverse Commission projects as ATVs, riding mowers, chain saws, toys, cribs, poisonings, electrocutions, and burns. Medical examiner reports also represent a valuable source of data for investigations because they are generally received more quickly and are more detailed than death certificates.

The Commission expects to work closely with medical examiners and coroners in 1990 and 1991, encouraging them to participate in the data system. The number of MECAP reports is expected to increase as they report more cases to the Commission.

The Incident Data project includes the collection, review, and processing of approximately 6,500 news clips and 6,000 incident reports from sources such as consumers, Federal, State and local governments, lawyers, physicians, and fire departments. The regional centers are vital in developing and maintaining local reporting sources. Data from these reports provide basic information to identify new product-related hazards, support ongoing work on priority projects, and serve as a source of potential Section 15 cases. The number of newsclips to be received declines from 7,500 to 6,500 in 1991 due to a slight reduction in contract support.

Investigation Data

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 27 | 21 | 21 |
| Amount | $1,402 | $1,198 | $1,225 |
| Number of Investigations: | | | |
| On-Site | 700 | 700 | 700 |
| Telephone | 1,200 | 1,200 | 1,200 |
| Other | 300 | 300 | 300 |
| Total | 2,200 | 2,200 | 2,200 |

The Investigation Data subprogram includes the collection of more detailed information about certain incidents identified under the Surveillance Data subprogram. This is done by conducting investigations by telephone or in person, and by screening all data to identify new or emerging hazards which might be evident. Telephone investigations are conducted by headquarters staff to follow-up NEISS surveillance cases, and both telephone and on-site investigations are conducted by regional center staff or under contract to follow up leads from NEISS and other sources.

Activities under the Investigations project include two major categories. Headquarters staff perform telephone investigations of statistical samples of NEISS cases. A subset of these cases is then reassigned to regional center staff for an on-site follow-up. These NEISS special studies have provided the data necessary for many important hazard analyses, including playground equipment, power mowers, and ATVs. The NEISS telephone investigations are included in the output measures above even though the staff resources to conduct these investigations appear in the NEISS project. NEISS on-site investigations are conducted by regional center staff using resources available within the Investigations project.

The second category of investigations consists of assignments made from the other data sources available to the Commission. Regional center staff perform telephone and on-site investigations of selected injury and hazard reports. Initial surveillance generally provides little specific detail on the accident scenario or product involved. Follow-up investigations are conducted to determine how accidents are caused and to provide specific product identification. Investigation reports are processed, coded, keyed into a computer, and supplied to the Injury Information Clearinghouse for use by analysts inside and outside the Commission.

In 1991, the total number of investigations will include 1,200 by telephone; 700 on-site investigations where personal interviews and product/site inspections are conducted; and 300 other investigations where CPSC investigators interview fire marshals, police officers, medical examiners, and other knowledgeable parties. The greater number of NEISS hospitals operational in 1991 would normally be expected to increase the number of investigations, particularly since there will be a nearly 50% increase in surveillance cases available. This will not occur because contract support for both headquarters and State/local investigations is eliminated in the 1991 request. However, the NEISS expansion will permit investigations to be conducted more quickly on injuries representing typical hazard patterns. This will speed up and improve the quality of ongoing hazard studies.

New Project Identification/Petitions

| | 1989<br>Actual | 1990<br>Appropriation | 1991<br>Request |
|---|---|---|---|
| Resources: | | | |
| FTEs...................... | 6 | 9 | 9 |
| Amount.................... | $352 | $580 | $566 |
| Product Hazard Reviews: | | | |
| Non-chemical hazards...... | 20 | 30 | 30 |
| Chemical hazards.......... | 20 | 20 | 20 |
| Total........... | 40 | 50 | 50 |
| Short-term actions taken.... | 9 | 6 | 4 |
| New Hazards Identified: | | | |
| Chemicals................. | 2 | 2 | 2 |
| Other Products............ | 7 | 10 | 6 |
| Total........... | 9 | 12 | 8 |
| Petitions: | | | |
| Pending, Start of Year.... | 7 | 8 | 5 |
| Received During Year...... | 6 | 3 | 3 |
| Processed................. | 5 | 6 | 3 |

The purpose of this subprogram is to examine potential hazards with new products or new uses for existing products, and to examine other previously unrecognized or unaddressed safety problems. The Hazard Assessment project recommends Commission action to address hazards identified. When a low-level resource effort is all that is needed to address a potential hazard, i.e., a full hazard assessment is not required, short-term actions are also initiated, such as consumer alerts or recommending action by voluntary standards organizations. It also involves screening available data to systematically identify new or emerging hazards of potential interest to the Commission.

The Hazard Assessment project consolidates two former projects, Hazard Assessment and New Project Identification, because of the similarity of these activities. It will review at least 30 potential non-chemical and 20 chemical hazards and initiate at least 4 short-term actions that will address product hazards without undertaking a year-long hazard project. It is estimated that as a result of these studies, approximately 8 new hazards will be identified during 1991, including 2 chemicals and 6 other products. They will be investigated for significant hazards and considered for support as hazard projects.

An estimated three Petitions will be processed in 1991, by being reviewed and having some action recommended to the Commission. The workload in this project is dependent upon the number and complexity of petitions submitted by interested parties outside the Commission, so the workload cannot be accurately predicted. However, sufficient resources are programmed in the Petitions project to address the typical workload requirements generated each year for three petitions.

The final project in this subprogram is Toxicity Data. The purpose of the project is to obtain data, literature, and analyses on the toxicity of chemicals in products suspected of presenting hazards to consumers. Contract funds have been reduced to one-half the 1990 level. As a result, only those chemicals initially determined by the Commission to pose the most potentially serious threats to consumers' safety will be examined in depth.

Economic Studies

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs........................ | 3 | 3 | 2 |
| Amount...................... | $197 | $189 | $170 |
| Product in use estimates....... | 200 | 200 | 200 |
| Injury cost projections........ | 50 | 50 | 50 |

In 1991, Economic Special Studies will continue to provide specialized economic information to hazard teams, other programs and offices, Commissioners, Congress, other agencies, and the public. Product life and use estimates are developed for calculating estimates of recall effectiveness and consumer exposure to product hazards. Injury cost projections are also developed each year and used to weigh the economic impact of Commission or other actions.

About 200 product-in-use estimates are expected to be developed to determine recall effectiveness and consumer exposure to product hazards. In addition, about 50 injury cost projections will be developed; these will be used to estimate potential benefits associated with Commission or other actions.

This project has been reduced by 1 FTE for 1991 and contract funds have been reduced to one-half the 1990 amount. Contract funds will support only one focus panel or survey planning effort. Studies to support Product Safety Assessment, New Project Identification, and hazard project activities will be limited to those requiring only staff time. While the staff will continue to respond to the need for product-in-use estimates and injury cost projections, a reduced level of detail and analysis will accompany each.

Management Support

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs........................ | 5 | 5 | 5 |
| Amount...................... | $1,199 | $1,043 | $1,019 |

This subprogram represents resources to support the offices of the Associate Executive Directors for Economics and Epidemiology. Also included is computer support for Hazard Identification and Analysis activities, and management of the Hazard Assessment and Petitions projects. Resources for these activities remain at approximately the 1990 level.

## IV. HAZARD ASSESSMENT AND REDUCTION

| | 1989 Actual | | 1990 Appropriation | | 1991 Request | |
|---|---|---|---|---|---|---|
| | FTEs | Amount | FTEs | Amount | FTEs | Amount |
| Fire/Household................ | 16 | $1,230 | 23 | $1,437 | 19 | $1,242 |
| Electrical/Mech./Children..... | 37 | 2,618 | 33 | 2,127 | 31 | 2,059 |
| Chemical...................... | 27 | 2,087 | 23 | 1,474 | 21 | 1,406 |
| Laboratory Support............ | 4 | 416 | 5 | 327 | 5 | 331 |
| Management Support............ | 22 | 1,525 | 24 | 1,645 | 24 | 1,766 |
| Total.............. | 106 | $7,876 | 108 | $7,010 | 100 | $6,804 |

The Hazard Assessment and Reduction program is integral to reducing the unreasonable risk of injury from consumer products. This is done through a balanced set of projects in the fire, household structural products, electrical, power equipment, children's product hazards, and chemical programs. Within these areas, hazardous products are evaluated, causative factors in related injuries are identified, and strategies are developed for reducing or eliminating the hazard they pose. The development of product safety standards (both voluntary and mandatory) takes place within this program. Standards are developed through the application of expertise drawn from a variety of technical disciplines available within the Commission, and supplemented where necessary with contractor support. These disciplines are coordinated among the several hazard areas through a matrix management approach involving all organizational elements of the Commission.

Of the five major programs of the Commission, the Hazard Assessment and Reduction program has experienced the most significant budget reductions over the past six years, declining from 28% of total Commission resources in 1985 to only 19% in 1991 (Table 4). This trend continues in 1991, primarily due to the elimination of all hazard contract funds and a reduction in available technical staff to conduct hazard projects. The most pressing problem is the continual decline in contracts available for supporting analytical work. As shown in Chart V, no funds are available for these contracts in the 1991 request, and only $116,000 is available in 1990. The contracts provide testing and analytical support in highly technical areas when the Commission lacks the in-house capability to provide it. Successive years with minimal hazard contract funds can result in severe delays in project completion or their termination. Because hazard contract funds have been eliminated, no fully funded priority projects are included in this budget request.

The 1991 request also reduces Hazard Assessment and Reduction staffing by 8 FTEs, and the total number of hazard projects to be undertaken decrease by 3 from 24 in 1990 to 21 in 1991. By way of comparison, 42 hazard projects were undertaken with the resources available in 1985, which included over $1.9 million in hazard contract funding.

The projects to be conducted in 1991 include those with the highest expectation of safety improvement. An attempt was made to focus Commission resources on completing work initiated in earlier years, and to emphasize discrete activities with a quicker safety payoff. Most of these projects will eventually lead to a new voluntary or mandatory standard or a revision of one already in place. Standards vary greatly in complexity and degree of staff involvement. The following summary table shows the total number of standards to be worked on each year.

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Voluntary Stds. Under Development: | | | |
| Participating level............ | 24 | 19 | 15 |
| Monitoring level............... | 29 | 23 | 15 |
| Total.......... | 53 | 42 | 30 |
| Mandatory Standards Under Development.................... | 10 | 9 | 7 |

The number of voluntary standards under development within the Hazard Assessment and Reduction program drops from 42 in 1990 to 30 in 1991, while mandatory standards remain about the same over the three-year period.

Fire/Household

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs...................... | 16 | 23 | 19 |
| Amount.................... | $1,230 | $1,437 | $1,242 |
| Number of projects supported.. | 8 | 6 | 6 |

The Fire/Household subprogram covers two hazard areas, Fire and Thermal Burns and Household Structural Products. The request includes support for six projects: Cigarette Lighters, Nightwear for the Elderly, Swimming/Diving, LP Gas Odorization, Household Voluntary Standards, and Building Code Coordination.

The goal of the fire-related portion of the subprogram is to reduce the excessive number of deaths, and the frequency and severity of injuries, resulting from fires involving consumer products. Fire is the second leading cause of accidental death in the home, and is the leading cause of accidental home deaths among children less than five years old. An estimated 4,660 fatalities were related to home fires in 1987, approximately eighty percent of all fire deaths in the U.S. (Chart II). While the United States has one of the two worst fire death rates among the industrial nations of the world, substantial progress is being made in reducing this rate. Between 1980 and 1987, residential fires have declined by 27 percent and residential fire deaths by 15 percent.

Ignition-resistant consumer products, such as children's sleepwear, carpets and rugs, mattresses, upholstered furniture, and safer heating equipment have contributed to this trend, as have widespread installation of smoke detectors, continued consumer information and education efforts, code improvements, and improved burn treatment. Still, the fire losses are too high.

The first project for 1991 is Cigarette Lighters. It is estimated that 180 deaths occurred in 1987 as a result of children playing with lighters, about seventy-five percent of these victims being under age five. In March, 1988, an advance notice of proposed rulemaking (ANPR) was published to begin proceedings for the development of a child-resistant lighter regulation. A test panel protocol for evaluating the child-resistance of lighters was developed and pilot tested in 1989. In

1990, lighters now on the market will be evaluated using the test protocol. A notice of proposed rulemaking (NPR), including analysis of comments received in response to the ANPR and a proposed regulation with acceptance criteria, will be submitted to the Commission for consideration.

The last stage in the formal proceedings is the preparation of a draft final rule, which will occur in 1991. For this, an evaluation of prototype child-resistant lighters will be completed, comments received in response to the possible NPR will be analyzed, and a final regulation will be prepared. ASTM is concurrently working toward a voluntary child-resistant lighter standard. It is anticipated that this voluntary standard will be based on the Commission-developed test protocol. The Commission is participating in this voluntary activity. Since both voluntary and mandatory activities are being simultaneously undertaken, the project is counted under both categories in the standard tables.

The second fire project is Nightwear for the Elderly. Over the last decade, a significant reduction in deaths as a result of clothing fires has occurred at all age levels. However, a significant number of deaths (139 in 1986) continue to occur in the 65 and older age group from fires involving primarily nightwear, such as nightgowns, pajamas, and robes. These deaths represent about 78 percent of all clothing-related fire deaths. This problem can be expected to increase, since the over 65 age group is a steadily increasing portion of the population.

Two approaches to reducing this flammability hazard have been proposed for Commission consideration. One involves classifying adult nightwear based on the flammability characteristics of the fabric used in the garment, and labeling the garment to identify this classification. The second involves mandatory labeling of all nightwear to warn against the flammability hazard. These approaches will be considered in 1990.

The goal of the household portion of the subprogram is to reduce deaths and injuries resulting from structural/mechanical hazards involving consumer products in and around the home. Household structural products are associated with an estimated 8.2 million injuries annually. The Commission addresses many of these problems through cooperation with building code and voluntary standards organizations. Areas that have been addressed in the past through regulations or voluntary standards include refuse bins, cellulose insulation, architectural glazing, ladders, slip-resistance for bathtubs and showers, and covers for swimming pools, hot tubs, and spas.

The first project in the household area, Swimming/Diving, will focus on reducing deaths and paralyzing injuries resulting from diving accidents and on reducing child drownings and near-drownings in residential swimming pools. Each year about 700 serious spinal cord injuries are estimated to occur from diving accidents in pools and other bodies of water. Nationally, drowning is the second leading cause of accidental death in the home to children under the age of five. Over 300 children under age five drown in residential swimming pools each year, and an estimated 4,200 are treated in hospital emergency rooms for submersion injuries.

In 1991, the Commission will complete the analysis of diving death and injury data as well as work on a diving injury model. Preliminary recommendations on pool configuration and diving board characteristics will be made to amend industry voluntary standards and model building codes. CPSC will continue to work to have residential swimming pool barrier requirements adopted by the model building codes and by State and local jurisdictions. CPSC will also work with the National Swimming Pool Safety Committee and promote the development and use of warning signs and other safety measures.

Work on LP Gas Odorization will continue in 1991. Each year over 250 carbon monoxide poisonings and 200 fire deaths are associated with gas heating systems. The risk of fire may be substantially higher with liquefied petroleum (LP) gas than with natural gas. Potential problems associated with LP gas odorants used to alert consumers to gas leaks will continue to be investigated. Problems such as possible oxidation in new tanks and/or adsorption onto masonry surfaces, may contribute to this increased risk of fire. In 1991, the Commission will complete work begun in 1990 on the relative risk of LP versus natural gas, and on above-grade versus below-grade installation of LP gas appliances. Strategies to reduce the hazard caused by odorant fade will be investigated. Recommended changes to the model building codes on the safe installation of LP storage facilities will be developed.

The Building Code Coordination project will build on the work begun in 1988 and 1989. Under the existing memoranda of understanding, the Commission will continue to coordinate and share information with the National Conference of States on Building Codes and Standards (NCSBCS), the Council of American Building Officials (CABO), and the National Fire Protection Association (NFPA). The Commission will also work to reduce the number of tap water scalds through code changes. It is estimated that each year 3,800 people are treated in hospital emergency rooms for tap water scald injuries. Most of these victims (68%) are children under the age of five. Few children die from these scalds, in contrast to older adults. Of the 34 or more individuals who died in 1986, 59% were 65 or older.

The Household Voluntary Standards project will emphasize the safety of gas-fired appliances which are associated with fires and carbon monoxide poisonings. About 450 deaths each year are related to gas equipment. To reduce these losses, in 1991 the Commission will participate in the development of voluntary requirements for a unified gas control valve standard, help develop a test method for corrosion protection of high-efficiency central furnaces and vents, participate in a work group addressing overpressurization of LP gas systems, and continue to pursue improved test requirements for flexible connectors for gas appliances.

Electrical/Mechanical/Children's and Recreational Products

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs...................... | 37 | 33 | 31 |
| Amount.................... | $2,618 | $2,127 | $2,059 |
| Number of projects supported.. | 13 | 11 | 9 |

This subprogram includes resources for three hazard areas: 1) electrical product hazards, 2) power equipment hazards, and 3) children's and recreational product hazards.

The long-range goal of the electrical hazards component is to reduce the number of deaths and injuries resulting from the use of electrical consumer products. The Commission estimates that such products within CPSC's jurisdiction were involved in 350 deaths from electrical shock in 1986. About one of every four residential structure fires attended by the fire service in 1987, or about 166,300, were believed to involve electrical equipment. These fires result in about 900 civilian deaths, 6,260 civilian injuries, and $935 million in property losses. The 1991 activities consist of two projects, Electrical Voluntary Standards and Heat Tapes.

The Electrical Voluntary Standards project will continue to monitor voluntary standard development in the electrical products area. The majority of these activities relate to previous projects, and require follow-up with organizations to which changes in voluntary standards were recommended. Without such follow-up it is not likely that CPSC proposals will be fully implemented. During 1991, the project will complete development of the hair dryer voluntary standard, addressing electrocution hazards, and continue work on receptacle outlets and associated fire hazards. In addition, CPSC will continue to take an active role in upgrading the National Electric Code and work on ground fault circuit interruptors and immersion detection circuit interruptors to assure the practical safeguarding of persons and property from hazards arising from the increasing use of electricity. The Commission will continue work on thermal cut-off devices begun in 1989 which may result in recommendations to improve the voluntary standard.

A new Heat Tape project will be initiated in 1991 to plan for the development of a standard to address fire hazards associated with this product, which is a heat-generating wire used to wrap plumbing in residence pipes to protect them from freezing in cold weather. From 1985-1987, heat tapes caused an estimated 3,300 fires, resulting in 20 deaths, 160 injuries, and $25.4 million in property loss annually. Because about 60% of the fires are believed to involve mobile homes, the effects of such fires fall disproportionately on those with lower incomes, who are least able to absorb the economic loss. As with all fires, elderly, the handicapped, and children are particularly vulnerable.

During 1991, a pilot data-gathering effort will be planned to determine the feasibility of obtaining information about failure mechanisms. This effort will include incident identification through fire departments, on-site investigations by technical staff and electricians, and laboratory analysis of heat tapes. To ensure that a performance standard is feasible, work will be planned to assess failure prevention mechanisms. Limited in-house testing will be conducted on heat tapes currently on the market. Commission decisions on a pending petition will also be incoporated, to the extent necessary, in planning this project. Project implementation will begin in 1992.

The goal of the mechanical component of this subprogram is to reduce the number of accidents associated with power tools, recreational vehicles, and yard and garden equipment. In calendar year 1986, there were about 358,000 estimated injuries treated in emergency rooms associated with these products. The 1991 activities consist of two projects: 1) All-Terrain Vehicles, and 2) Riding Mowers.

The Commission has determined that there may be an unreasonable risk of injury associated with the use of All Terrain Vehicles (ATVs) that may be sufficiently severe to require regulatory action. An ANPR was published in 1985 and the Commission directed the staff to proceed with development of information in support of a possible notice of proposed rulemaking.

The Commission is aware of 1,418 deaths associated with the use of ATVs between 1982 and September 21, 1989. From information currently available, there appears to be no difference between three- and four-wheel ATVs with regard to the risk of death; as the number of four-wheel vehicles has increased, the percentage of fatalities associated with them has correspondingly risen from 5 percent before 1985 to 56 percent in 1989. The adjusted NEISS estimate of 62,800 ATV-related injuries in 1988 represents a 27% reduction from 1986, however.

On December 30, 1987, the United States government, on behalf of the Commission, filed a lawsuit against the manufacturers and distributors of ATVs. On the same day, the United States government and the ATV industry signed preliminary consent decrees concerning this product. Final consent decrees became effective April 28, 1988. One of the provisions of the decrees was that the industry parties to the decrees would attempt in good faith to reach agreement on voluntary standards for ATVs, satisfactory to the Commission, within four months of the Court's approval of the final consent decrees. A draft voluntary standard for American National Standards Institute (ANSI) ballot, and an agreement by the industry to adhere to an interim minimum level of lateral stability, were accepted by the Commission on October 28, 1988, pursuant to the terms of the consent decrees. The Commission published a notice in the Federal Register on January 13, 1989, to announce acceptance of the draft standard and agreement, and to solicit public comment for the ANSI process. During 1990, the Commission will continue to develop information relating to rulemaking activities on this product and monitor voluntary standards development.

Previous work on ATVs focused on the completion of recommended provisions for a voluntary standard and completion of technical work, including a hazard analysis, economic analysis, exposure survey, engineering work, and human factors and medical analyses. During 1991, the Commission will continue monitoring the voluntary standard activities to address lateral stability characteristics of ATVs and complete its analysis of the 1989 injury exposure survey.

Each year, an estimated 75 deaths are associated with Riding Mowers. From 1983-1986, there were an estimated annual average of 19,100 emergency room treated injuries; the hospitalization rate for riding mower injuries is almost twice the average rate for all injuries reported through NEISS. About half of the injuries occurring during mower use were to persons under 16 or over 55 years old; about 60 percent of the deaths reported were to children under 5 or adults over 65 years old. Major hazard patterns were blade contact, tipping or sliding, gear, brake and/or clutch-related incidents, and runover and backover.

Since 1985, the industry voluntary standard working group has met periodically with Commission staff to identify and coordinate technical work aimed at reducing deaths and injuries. Hazard data were collected and analyzed and a hazard analysis report on 1983-1986 data was issued. Human factors studies on warning devices, perception of slope and risk on hills, recommendations for owners' manuals, and pilot time-to-access blade testing were completed. An economic exposure survey was conducted in 1988. Engineering staff conducted extensive testing and analysis of riding mower dynamic stability and monitored a contract to develop a basic field test method and a preliminary computer simulation model to assess the dynamic stability issue.

In 1990, new voluntary standard revisions for providing safety instructions in owners' manuals and warning labels on the mower will be completed under ANSI procedures. Fifteen fatalities and 800 injuries to children occur each year as a result of runover, backover, or carrying passengers either on the mower itself or in a cart or trailer behind the mower; a video news release addressing the hazards to children, prepared in cooperation with industry, will be aired at the start of the 1990 mowing season.

In 1991, the 1990 revisions to the voluntary standard will become effective. The riding mower hazard analysis will continue. Contract work to develop recommendations for artificial surfaces to be used for standardized dynamic testing of riding mowers will be completed. Analysis of contract data and in-house test data will continue. Plans will be developed for construction of an in-house facility for testing mowers on artificial surfaces. This capability, to be implemented in 1992, is required to permit the testing and analysis needed to develop recommendations for the voluntary standard.

The third program area is children's and recreational product hazards. In this area the goal is to reduce deaths and injuries associated with products intended for use by children, i.e., toys and nursery equipment. Children are extremely vulnerable to accidental injuries because they may not detect hazards or respond to them inappropriately. Accidents are the leading cause of death among children. The 1991 activities consist of five projects: 1) Playground Equipment, 2) Choking Hazards, 3) Children's Voluntary Standards, 4) Bicycles, and 5) Crib Toys.

In 1991, the Playground Equipment project will continue. Annually, there are an estimated 200,000 playground injuries in the U.S. About 40% of the injuries occur to children under age six. Also, there are about 13 playground equipment related deaths reported to CPSC each year. Previous analyses of injury data revealed that deaths and incapacitating injuries, such as fractures, internal injuries, and concussions, resulted from falls, hanging, head entrapment, being struck by moving equipment parts, and contact with protrusions, pinch points, sharp edges, and sharp points. Virtually every child in America is exposed to playground equipment, many on a daily basis.

In 1991, CPSC will complete the work started in the 1989 priority project. The Commission will publish the Playground Equipment Handbook, which will include information on equipment for children ages 2 through 12, and on the impact attenuation performance of various surfacing materials. An information and education campaign will be implemented to disseminate developed materials to the primary user groups, schools and parks systems. The national network of state and local contacts will be expanded to help promote adoption of CPSC's handbooks as model codes within state or local jurisdictions, encourage local inspections of playground equipment using the CPSC checklist, and identify hazardous playground equipment for follow-up action. Finally, CPSC will continue to participate in the development of the two voluntary standards for home and public playground equipment, using technical criteria developed in 1989 and 1990.

CPSC regulations for small parts, rattles, and pacifiers have been effective in eliminating many Choking Hazards by setting minimum size requirements. However, products which comply with these regulations continue to be involved in deaths and choking incidents. In 1988, when the current project was initiated, CPSC published an advance notice of proposed rulemaking inviting public comment on the merits of amending the existing regulations. It also collected relevant injury data. In 1989, hazard and medical analyses were prepared and in 1990, a Medical Advisory Committee may, depending on Commission direction, be formed to provide the medical basis for staff recommendations. Staff technical work will be completed in 1990 and if warranted, the Commission will issue a proposed rule to amend the existing regulations. Possible amendments could include expanding the scope of the existing regulations, labeling for certain high risk items intended for older children, and changing the criteria for the test fixture.

In 1991, the Commission plans to analyze comments received in response to the possible notice of proposed rulemaking and if warranted, issue final regulations.

Work on Children's Product Voluntary Standards will continue to provide support for the development and revision of standards in this area. In 1991, work on voluntary standards will include toy safety, cribs, bunk beds, and bicycle helmets. The Commission will continue to provide industry/consumer task groups with current injury data and technical support, including laboratory testing, to develop and maintain the effectiveness of voluntary standards in addressing identified hazards.

In 1991, the Commission will continue work on bicycle helmets initiated in 1989. In that year, CPSC began testing bicycle helmets and conducting medical analyses of the role helmets play in reducing bicycle-related head injuries. CPSC has received a communication from the National Safe Kids Coalition requesting that we develop a mandatory standard for helmets and if the Commission pursues a regulatory option, staff work will include development of appropriate findings and responding to comments.

A new project on Bicycles is included in the 1991 request. The Commission issued bicycle safety standards in 1976. Annually, however, there continues to be about one million injuries and 1,200 deaths associated with bicycles. The estimated annual cost of these injuries and deaths is about $7.6 billion. The purpose of this project is to determine ways in which this toll of injuries and deaths can be reduced. In 1991, the staff will collect injury data to identify hazard patterns and behavioral factors associated with bicycle incidents; conduct a medical analysis of factors contributing to bicycle injuries; and review foreign safety standards for bicycles, comparing their rationale for tests and requirements to those in CPSC regulations. In the future, staff will summarize the findings and recommend appropriate remedial strategies, which might include revisions to standards or information and education programs.

Another new project for 1991 is Crib Toys. In 1989, CPSC was petitioned by the Consumer Federation of America and the Attorney General of New York to ban certain crib toys posing strangulation hazards to young children. The petition is based on 30 deaths, one case of severe brain damage, and 18 "near-misses" reported to CPSC between 1973 and 1987. If the Commission chooses to publish an advance notice of proposed rulemaking in 1990, work will include development of the ANPR and responding to resulting comments. Recommendations may include mandatory rulemaking to ban crib toys with certain characteristics or features that predispose these toys to the entrapment or strangulation hazards. Such a rule could also include labeling requirements for other crib toys. The Commission would prepare the necessary findings for such rulemaking, respond to comments, and publish a proposed and final rule.

Chemical

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs ........................ | 27 | 23 | 21 |
| Amount ...................... | $2,087 | $1,474 | $1,406 |
| Number of projects supported.... | 7 | 7 | 6 |

The goal of the Chemical Hazards subprogram is to reduce the number of deaths, injuries, and illnesses resulting from exposure to hazardous chemicals in consumer products. The Commission attempts to reduce exposure to consumer products containing or emitting chemicals causing acute reactions such as chemical poisoning or death, and chemicals associated with chronic effects such as cancer, neurotoxicity, and birth defects.

This subprogram consists of six projects which are continuation efforts from 1990. They include Indoor Air Quality, Poison Prevention, Methylene Chloride, FHSA Labeling/Art Hazards, Lead Poisoning, and Chlorofluorocarbons.

In 1991, the Indoor Air Quality project will examine a variety of consumer product hazards. The potential economic impact of all indoor air pollution problems is estimated in the tens of billions of dollars per year. The health effects identified for indoor air pollutants include both acute and chronic effects, such as eye, nose and throat irritation, lung disorders, neurotoxicity, kidney and liver effects, heart functions, allergic and infectious diseases, developmental effects, mutagenicity, and carcinogenicity. Lung disorders closely associated with pollutant exposures include chronic obstructive pulmonary disease and asthma, which affects 23.4 million Americans. Childhood asthma has increased by 25% between 1982 and 1986. Asthma has become the leading cause of childhood hospitalization.

Based upon the 1988 CPSC survey of room heating equipment, approximately 15.2 million people are exposed to the emissions of unvented gas space heaters (UVGSH). Exposure to nitrogen dioxide, a major pollutant from UVGSH, has been associated with decreased lung capacity in children and increased respiratory illness. Evaluation of an epidemiological study on the health effects of exposure to nitrogen dioxide from UVGSH in homes begun in 1990 will be completed in 1991. Health effects data, including this study, will be used by CPSC and an ANSI subcommittee to aid in defining the appropriate emission rate, through mathematical modeling, for inclusion in the UVGSH voluntary standard. Completion of the voluntary standard is expected in 1991.

Testing will be conducted at the Commission's Engineering Sciences laboratory to determine levels of carbon monoxide emissions from camping equipment style catalytic, propane, and gas heaters which cause an estimated 15-20 deaths per year. This testing will form the basis for recommending a technological fix or labeling alternatives in 1991. Small-scale chamber tests on carpets to be conducted during 1990 are expected to identify chemicals that are potential health hazards. In 1991, a proposal will be developed and presented to carpet manufacturers on a possible industry voluntary standard, or practices to reduce or eliminate the emission of any such chemicals found.

In 1986, the Commission estimated that exposure to formaldehyde in newly constructed single family homes from only two sources, particleboard underlayment and paneling, would result in an estimated 26 excess cancer deaths per year. In 1990, the Commission will review options available to reduce the remaining risk. Depending upon the results of this review, the Commission may direct the staff to evaluate available information on emissions of formaldehyde from furniture and cabinetry and develop revised exposure and risk assessments. This could result in the development of further options on formaldehyde by the end of 1991. In addition to these specific activities, the Agency will continue its evaluation of the health impact of biological pollutants, as well as its participation in the Federal Committee on Indoor Air Quality and the Federal Asbestos Task Force to provide for a comprehensive national response to IAQ issues.

The second 1991 project in the chemical area is Poison Prevention. In 1987, 31 children under age five died as the result of accidental ingestion of household chemicals. In 1988, an estimated 133,000 children under age five received hospital emergency room treatment for accidental ingestions, chemical burns, and other acute injuries associated with household chemical products.

In 1991, several activities to reduce childhood injuries and deaths will be conducted to ensure that potentially hazardous chemicals are packaged in child-resistant containers, and that all adults, including older consumers, can use child-resistant packaging effectively. The Commission will complete development of a possible final rule, if warranted, revising the procedures for testing the effectiveness of child-resistant packaging. The revised procedures will include older adults in the test protocol and will encourage development of more effective, easier-to-use child-resistant packaging.

The Commission will explore, with pharmaceutical firms, the possibility of developing easier-to-use, unit-dose, child-resistant packaging such as blister packs and strips. Work with these firms will also address development of new unit-dose packaging designs. In 1991, the Commission will evaluate the toxicity of certain cosmetics ingredients, continue to evaluate prescription drugs approved by the Food and Drug Administration for over-the-counter use, and develop special packaging standards for those substances which are determined to present a risk to young children. Injury data bases and other sources will be monitored to identify other potentially hazardous chemicals on the market and assess the need for special packaging.

The third chemical project is Methylene Chloride. In 1991, the Commission will complete its evaluation of the extent of consumer risk from products containing methylene chloride that bear cancer hazard labeling in accordance with the Federal Hazardous Substance Act (FHSA), especially paint strippers. Prior to the labeling initiative, CPSC estimated that about 140 excess cancer deaths per year resulted from use of these products. Using information on methylene chloride in product formulations developed in 1990, the Commission will assess the extent to which products still contain methylene chloride and bear the revised labeling required since 1989.

Controlled experiments may be conducted to evaluate any revised formulations for exposure modeling. Based on the new data and a range of assumptions about possible changes in consumer behavior as a result of information and labeling, the Commission will revise its exposure and risk estimates and, if needed, prepare a preliminary cost-benefit analysis of options.

In 1991, the FHSA/Art Hazards Labeling project will complete the development of criteria and guidelines for the labeling of chronically hazardous materials under the FHSA, and will fully implement the Labeling of Hazardous Art Materials Act (LHAMA) passed in November, 1988. As required by LHAMA, new regulations for art materials to be effective in November of 1990 will be implemented. In addition, chronic hazard guidelines specific to art materials will be revised and refined as appropriate, based on progress made in 1990. Information materials will be developed for schools to provide guidance in the selection of art materials, as required by the LHAMA.

Criteria and guidelines for labeling of all chronically hazardous products subject to the FHSA will, if accepted by the Commission, be issued in final form. These actions will include definitions for assessing when a substance is toxic by reason of carcinogenicity, teratogenicity, developmental toxicity, or neurotoxicity, as well as guidelines for assessing the extent of exposure to a chronically toxic substance in a product. Labeling language appropriate for chronic hazards will be evaluated and incorporated into a revised Commission Directive 9010.125, the CPSC Labeling Guide. Staff will review advances in alternative non-animal test methods for assessing acute toxicity to determine if changes can be made to existing FHSA regulations which define hazards on the basis of animal testing.

In 1991, the Lead Poisoning project will implement Commission guidance on revisions to existing regulations for lead content in paint and similar surface coatings, as well as other sources of lead exposure. Lead poisoning continues to be a major health hazard to young children and to adults. Exposure of pregnant women to lead has been shown to harm the developing fetus. The Commission will continue to work with the Department of Housing and Urban Development on the preparation and implementation of a national plan for inspecting and removing lead-based paint from private homes. The Commission will provide assistance in evaluating lead detection technology for homes, evaluating the toxicity hazards of various abatement techniques, and advising consumers on how to identify and address lead paint hazards in the home.

The project initiated in 1990 to oversee the reformulation of consumer products containing Chlorofluorocarbons and other chlorine compounds which damage the earth's ozone layer, such as methylene chloride and methyl chloroform, will continue in 1991. As part of this effort, options and recommendations will be developed for expanding current labeling requirements for products containing ozone-depleting chemicals. Toxicity and other safety hazards associated with the reformulation of products with substitute chemicals will be evaluated.

Laboratory Support

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs..................... | 4 | 5 | 5 |
| Amount.................... | $416 | $327 | $331 |

This subactivity includes resources necessary to ~~provide~~ laboratory support for hazard studies and development of product safety standards. Laboratory resources for product safety assessment, compliance testing, and voluntary standard monitoring have been described in the Compliance and Enforcement Program section of this budget request. This includes calibration and repair of existing equipment. All these activities are in the Engineering and Health Sciences directorates. No funds for new or replacement laboratory equipment purchases are budgeted in 1991.

Engineering Laboratory Support provides for calibration, repair, and test fixture construction essential to all programs involving laboratory testing, as well as maintenance of the laboratory safety program. The project includes National Institute of Standards and Technology support to furnish basic laboratory supplies, equipment, and technical expertise.

Funds requested for the Engineering Laboratory represent the minimal amount necessary to sustain laboratory operations. Much of the test and data acquisition equipment is outdated, and no funds can be allocated for this purpose. As a result, compliance testing of potentially dangerous products and laboratory support for standards development projects will be conducted at reduced levels during 1991.

Health Sciences Laboratory Support includes staff time for animal care, procurement of laboratory and chemical supplies, and disposal of chemical and biological waste. The 1991 budget includes full-year costs of new Health Sciences laboratory space in Gaithersburg, Maryland. The laboratory will be forced to move from its present shared facility in fiscal year 1990, as the Food and Drug Administration has transferred its animal laboratory from the building. Health Sciences laboratory support contract funds formerly budgeted in this subprogram have been transferred to rent to support higher costs of the new facility. This transfer reduces total funding for the subprogram in 1990 and 1991.

Toxicity Support provides risk assessments, literature searching, retrieval and translation, toxicological evaluation and review, and laboratory analyses on an as-needed basis. Contract support for these activities has been reduced to 50% of former levels.

Management Support

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs........................ | 22 | 24 | 24 |
| Amount...................... | $1,525 | $1,645 | $1,766 |

This subprogram includes program administration for all hazard projects, Engineering and Health Sciences management, voluntary standards coordination, international standards coordination, and computer utilization costs. This subprogram is recommended at the same level of support as in 1990.

In 1991 the International Standards Coordination project will focus on CPSC involvement in the actions to set uniform product standards in the European Economic Community by 1992. The International Activities Coordinator, Voluntary Standards Coordinator, Commissioners, and program staff will be involved in continuing discussions with other federal agencies, private organizations and individuals concerned about possible changes in product standards and certification. Information will be shared with American voluntary standards organizations as appropriate. It is anticipated that more focused international activities will be conducted than in a typical year.

## V. COMPLIANCE AND ENFORCEMENT

| | 1989 Actual | | 1990 Appropriation | | 1991 Request | |
|---|---|---|---|---|---|---|
| | FTEs | Amount | FTEs | Amount | FTEs | Amount |
| Product Safety Assessment...... | 20 | $1,348 | 23 | $1,594 | 25 | $1,726 |
| Section 15 Activities.......... | 60 | 3,373 | 78 | 4,980 | 73 | 4,495 |
| Regulated Products............. | 77 | 4,349 | 76 | 4,573 | 74 | 4,665 |
| Voluntary Standards Conformance | 1 | 79 | 1 | 55 | 1 | 95 |
| Advice/Contingencies........... | 13 | 1,019 | 10 | 711 | 9 | 615 |
| Management Support............. | 5 | 415 | 5 | 321 | 5 | 344 |
| Total....... | 176 | $10,583 | 193 | $12,234 | 187 | $11,940 |

The goal of the Commission's Compliance and Enforcement program is to ensure that firms comply with the laws, regulations, and standards that protect consumers from hazardous products. Other than educating industry about Commission requirements, the Agency conducts three main types of compliance activities:

- Identifying substantial product hazards and, where appropriate, removing such products from the marketplace or consumers' hands by working cooperatively with industry, or through litigation when necessary;
- Maintaining surveillance over regulated consumer products and following up on indications of potential noncompliance; and
- Encouraging industry adherence to voluntary performance and labeling standards.

The 1991 request will provide for a somewhat reduced level of effort than 1990 in the compliance area. However, as a percentage of total Commission resources, the program continues to increase in both dollars and FTEs (Table 4). Many violations continue to be caught and corrected as identified in the Accomplishment section, and these efforts are resulting in an increased level of product safety in the country. Because it has been years since nationwide compliance with certain CPSC regulations has been assessed, in 1991 work will be continued on the eight-year program to assess nationwide industry compliance with certain regulations.

The most significant change in the Compliance and Enforcment program for 1991 is the elimination of a substantial portion of the contract support. State and local contracts in the Section 15 and Regulated Products area have been reduced by one-half, funds to support Section 15 litigation actions which may be necessary have been eliminated, and product safety assessment contracts have been reduced by one-half. Support for the biannual meeting of State designees, to bring together state governors' designated liasons to CPSC, has been eliminated. In addition, assistance in monitoring industry and dealer compliance with the ATV consent decree has also been pared back in 1991. The impact of these reductions is described below.

Product Safety Assessment

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 20 | 23 | 25 |
| Amount | $1,348 | $1,594 | $1,726 |

The Product Safety Assessment (PSA) project provides rapid and authoritative responses to requests for technical evaluations of newly identified product hazards. Technical support is provided for making preliminary substantial product hazard determinations under Section 15 of the Consumer Product Safety Act and the Federal Hazardous Substances Act, and for identifying new classes of product hazards. Technical assessments address all aspects of the product, such as its market status, the epidemiology of deaths and injuries, human factors considerations, and engineering design features.

In-house technical work is performed by the Economics, Epidemiology, Engineering, and Health Sciences directorates. In some cases, assessments are conducted under contract in the areas of engineering, human factors, economics, and medical support. Contract funds are used to provide quick reaction analyses using expertise, staff resources, and laboratory facilities not available within the Commission.

To partially compensate for the reduction of contract assistance, an additional 2 FTEs of technical staff time has been allocated to the PSA project from other Commision programs. Some assistance obtained under contract is in areas of expertise and professional study not possessed by in-house staff. Since these funds have been reduced by one-half from 1990 levels, PSA contract work will be focused on the more serious hazards present in areas which cannot be addressed by Agency staff.

Section 15 Activities

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 60 | 78 | 73 |
| Amount | $3,373 | $4,980 | $4,495 |
| Section 15(b) reports received | 160 | 160 | 160 |
| Samples collected | 433 | 340 | 325 |
| Investigations conducted | 410 | 325 | 300 |
| In-depth injury investigations | 940 | 1,200 | 1,050 |
| Inspections conducted | 303 | 290 | 300 |
| Corrective actions initiated | 110 | 130 | 130 |
| Recall effectiveness checks | 400 | 410 | 400 |
| Litigation cases initiated | 4 | 4 | 5 |
| Negotiated civil penalties | 2 | 2 | 3 |

Enforcement activities under Section 15 of the Consumer Product Safety Act (CPSA) and the Federal Hazardous Substances Act continue to be one of the most important agency activities. The Commission obtains information on potentially defective and hazardous products from many sources, including staff investigations, consumer complaints, trade complaints, Freedom of Information Act inquiries, requests for Commission incident data, and private sector product liability suits. While information sources often generate large numbers of case leads, resource constraints in 1991 may limit the development of these leads. Three of the five FTEs eliminated in 1991 represent cooperative student education positions.

In the past, industry has reported lower level product hazards while the more serious hazards, which result in deaths and grievous injury, have been uncovered by the Commission. In 1991, the Commission's ability to discover unsafe consumer products will be increased by building on the industry-wide awareness campaigns to be carried out in 1990. Targeted awareness campaigns to make industries knowledgeable about their Section 15(b) reporting requirements will be held by the regional centers. They will include Commission staff attendance at industry seminars, media interviews, distribution of the CPSC pamphlet guide for manufacturers, distributors, and retailers on their reporting obligations, and distribution of the more detailed recall handbook to assist firms in the development of a program when they are faced with a recall.

Another method which will be used in 1991 to identify and develop more Section 15 cases involves limited networking with Federal and State courts, medical emergency personnel, consumer affairs offices, bar associations, insurance companies, and similar organizations. To increase the possibility of identifying more serious hazard cases, the Commission will continue to identify systematically and review consumer product liability cases filed in Federal and State courts, through law reporters, and through liaison with the Association of Trial Lawyers of America. The Commission will also contact product liability attorneys to obtain investigatory information and documents, including expert reports, and to track the disposition of potential Section 15 cases. If the program is successful in identifying serious hazards not otherwise available through current methods of case development, there could eventually be an increase in Section 15 corrective actions, litigation cases, and civil penalties. Such an increase is not assumed in the output data at this time, however.

Reduced 1991 staffing below the 1990 level will limit the staff's conduct of resource intensive investigations, particularly those cases involving complex technical issues. These cases require review and analysis of large quantities of documents provided by the firm under investigation, as well as by the investigating staff. While these cases require more time, the nature of the issues involved often results in a relatively large payoff in terms of improved product safety.

Under Section 15, the Commission generally obtains voluntary cooperation by firms to remove from the marketplace potentially hazardous consumer products. Where voluntary action is not forthcoming, the Commission uses its litigation option. During 1989 the staff negotiated major corrective actions in such areas as electric undercounter dishwashers, bunk beds, undercabinet coffee makers, playground equipment, bicycles, crib toys, kerosene contaminated with gasoline, and gas furnaces. In fiscal year 1989, seven firms entered into settlement agreements with the Commission under which they will pay civil penalties totaling $565,000 to settle alleged failures to report defective products to the Commission. Settlement offers from three other firms totaling $197,000 are pending before the Commission.

Regulated Products

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 77 | 76 | 74 |
| Amount | $4,349 | $4,573 | $4,665 |
| Samples collected | 3,130 | 2,000 | 1,855 |
| In-depth injury investigations | 140 | 140 | 140 |
| Inspections conducted | 1,335 | 1,910 | 1,140 |
| Noncompliance cases opened | 696 | 400 | 400 |
| Recalls initiated | 148 | 130 | 130 |
| Recall effectiveness checks | 1,450 | 1,450 | 950 |
| Litigation cases initiated | 10 | 10 | 12 |

Under this subprogram, the Commission monitors industry compliance with CPSC rules and regulations and obtains corrective action if violative products are identified. The monitoring activities include on-the-dock surveillance of imported products, retail surveillance, and inspections of manufacturers and importers. Recalls are requested when products exhibit serious violations.

The need to continue the effort to assure compliance with existing regulations stems from the continued high level of noncompliance observed by the Commission. Much of this results from the poor compliance levels of imported products, often brought in by American companies unaware of our requirements. The continual marketing of new products and the entry of new manufacturers into the marketplace contribute to the problem; so does the fact that there are numerous CPSC standards, and substantial resources are required to develop reliable national estimates of whether the levels of compliance in all regulated industries are at acceptable levels. The comprehensive surveillance plan will develop such national estimates.

The 1991 request for Regulated Products includes a reduction of two FTEs, one of which is a cooperative education student, and a 50% reduction in State and local contract assistance in conducting the program. This contract reduction results in some of the program output declines identified above, including inspections and recall effectiveness checks. However, the numbers of sample collections, inspections and recall effectiveness checks will also decline as indicated above due to a reduction in funds for the purchase and shipping of samples, and for a variety of other reasons: some planned 1991 inspections are more complex due to the product categories being covered, and thus require more time per inspection; recall authority is limited for some product categories; and more resources are being used for general surveillance.

Regulated Product projects are product specific. In general, they include activities to assess industry compliance with Agency regulations under the long-range plan, and to address previously identified compliance problems. Some projects also include resources for dealing with product-related complaints and problems brought to the agency's attention during the fiscal year. Several of the more significant 1991 projects are discussed below. Some of them will be assisted by the remaining State/local contracts.

The 1991 Toy Enforcement effort will continue to address compliance problems previously identified, but will also cover any complaints and issues brought to the attention of the Commission in 1991. The effort will continue the activities initiated in 1990 to address specific compliance problems identified during the 1989 compliance survey. In 1991, activities will include domestic and import surveillance, firm inspections, sample collection and analysis, industry seminars, and litigation when appropriate. State/local contract dollars and laboratory testing funds will continue to be used for testing toy samples collected during import surveillance. The need for this type of effort will continue indefinitely due to the number of small firms involved in toy manufacturing and the changing nature of the industry.

In 1989, approximately 560 toy samples were collected during on-the-dock import surveillance. The violation rate has dropped, but continues to be close to 50%. The reduction may be the result of a combination of factors, hopefully including an overall improvement in industry compliance.

The 1991 Fireworks Enforcement effort will continue the gradual shift in emphasis from Class C fireworks, which are generally imported, to illegal Class B fireworks which are usually manufactured in the United States. In 1991, greater emphasis will be placed on coordinated efforts with the Bureau of Alcohol, Tobacco, and Firearms and state and local enforcement officials to identify and stop the sale of illegal Class B fireworks. Import surveillance of Class C fireworks will continue; however, due to the anticipated increase in industry compliance and the voluntary testing program currently being developed, the need for sample collection and analysis is expected to drop. Resources allocated to fireworks enforcement have thus been reduced in 1991. Litigation will continue to address both Class B and Class C problems, as appropriate.

In 1989, over 1500 fireworks samples were collected for analysis. The violation rate has dropped from 75% to approximately 60%, and to 40% for the more serious types of violations. We anticipate a continued decline in 1991.

PPPA Pharmacy Enforcement activities will follow up on a survey which will be initiated in 1990 to assess retail pharmacist and pharmacy compliance with the Commission regulation for packaging prescription drugs. Based on the results of the survey, which we anticipate will show a high level of noncompliance, the Commission will increase ongoing efforts to work with State Boards of Pharmacy to monitor compliance using State/local contract dollars. Enforcement of the prescription drug regulations can thus be done by the state agencies which handle all other aspects of the practice of pharmacy. Both educational and enforcement activities will be initiated by the Commission in those states not interested in enforcing the Commission's regulation for packaging prescription drugs.

The PPPA Prepackaged Drugs project will follow up on a 1990 survey assessing industry compliance with Commission regulations for aspirin, acetaminophen, iron-containing dietary supplements, and iron-containing drugs. Although we anticipate a low level of noncompliance (less than 10%), resources are allocated in 1991 for a mass mailing to firms in any problem segment of the industry advising them of the survey observations and the steps necessary to correct problems. Limited firm inspections may also be necessary to assure the correction of any violations documented in 1990.

Children's Sleepwear Enforcement will also rely upon a 1990 survey to assess industry compliance with the flammability standard for children's sleepwear. We anticipate finding up to a 50% level of noncompliance due to a lack of understanding concerning the scope of the standard and retail display problems. The 1991 project will increase industry awareness and the level of compliance through mass mailings to problem segments of the industry. Industry seminars, marketplace and tradeshow surveillance, import surveillance, and litigation will be conducted as appropriate.

Mattress Enforcement is the fourth and final project which depends upon a 1990 survey to assess industry compliance with Commission regulations. The 1990 mattress survey will focus on the segment of the mattress industry that manufactures futons. The anticipated level of noncompliance is approximately 50%. The 1991 project is expected to increase the level of compliance, again through a mass mailing to the problem segment of the industry, additional firm inspections, and litigation as appropriate.

The following two 1991 Regulated Products projects are surveys being conducted under the Regulated Products long-range plan to assess industry compliance with Commission regulations. If unacceptable levels of noncompliance are observed, appropriate industry-wide follow-up will be initiated in 1992.

Manufacturers and packagers of Asbestos Patching Compounds will be surveyed to assess compliance with the Commission ban on the use of asbestos in such products. The anticipated level of noncompliance is expected to be about 10%. Manufacturers and importers of clothing for children under 3 years of age will be surveyed to assess industry compliance with the Small Parts/Apparel regulation. In the past, we have identified numerous firms distributing clothing for children under 3 years of age which have decorative buttons or other items which detach easily, and present a small parts choking hazard. We anticipate finding a 30% level of noncompliance.

Voluntary Standards Conformance

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 1 | 1 | 1 |
| Amount | $79 | $55 | $95 |
| Standards monitored | 2 | 1 | 1 |
| Inspections conducted | 100 | 50 | 35 |
| Samples collected | 50 | 30 | 50 |

This subprogram provides support for monitoring conformance with specific voluntary standards, and is carried out under the general oversight of the CPSC Voluntary Standards Coordinator. As provided by Section 7 of the CPSA, the Commission relies upon voluntary standards when compliance with the standard will eliminate or adequately reduce the risk of injury addressed, and when it is likely there will be substantial compliance with the voluntary standard. To assure the latter criterion is met, the Agency has an obligation to periodically assess conformance with such voluntary standards.

In the past and in 1991, about 1 FTE will be dedicated to monitoring conformance to voluntary standards. This very small effort has resulted in conformance monitoring for many voluntary standards in a sporadic manner, relying upon verbal reports and general impressions of CPSC staff as compared to the detailed, systematic examination afforded regulated products.

In 1991, only one standard to which the Commission formally or informally deferred, and then suspended hazard project work, will be examined. Nationwide estimates of conformance will be produced, forming the basis for recommended Commission action. This could take the form of further discussions with the subject industry and manufacturers to encourage better voluntary conformance, or, if necessary, a recommendation that rulemaking procedures be initiated.

Firms will be inspected to examine products being offered for sale, and samples will be collected for analysis as appropriate. If high levels of nonconformance are observed, the Commission may consider the resumption of rulemaking activities. The particular standard to be monitored will be selected at the time the 1991 Operating Plan is developed.

### Advice/Contingencies

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs...................... | 13 | 10 | 9 |
| Amount.................... | $1,019 | $711 | $[illegible].5 |

This subprogram provides resources both in the regional centers and at headquarters to react to compliance problems not covered in the other subprograms. It also includes staff time used by the Commission to inform industries of Commission requirements for their products, and educating them through seminars and discussion letters. The resources allocated to the subprogram fluctuate from year to year, depending upon the need to use resources in other subprograms as unforeseen compliance issues emerge. A 1 FTE reduction is proposed for 1991.

The Commission will continue to provide Advice and Guidance to industry prior to introduction of products into commerce. Experience has shown that working with the regulated industries is more cost effective both to the firms and to the consuming public than correcting problems after they occur. This project provides a level of regional center resources sufficient to provide guidance and other information to new firms coming under CPSC jurisdiction, and to established firms which are considering marketing or importing a new product. This guidance may also relate to standard changes in the European community expected during or after 1992.

In 1991, the ATV Monitoring project will be continued but contract funds for state assistance will be significantly reduced. The Commission will continue to monitor the distributors' and dealers' compliance with the requirements specified in the final consent decrees. Violations of the consent decrees will be addressed immediately and necessary casework will be prepared. Also, the Commission will continue to provide quarterly updates of reported ATV deaths and injury estimates.

Management Support

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 5 | 5 | 5 |
| Amount | $415 | $321 | $344 |

The purpose of this activity is to coordinate the Compliance and Enforcement program, provide overall direction, and surface major issues for Commission consideration. Staffing is recommended at the 1990 level. Included in this subactivity are computer utilization costs for Compliance and Enforcment activities and Product Safety Assessment project management support.

## VI. CONSUMER INFORMATION

| | 1989 Actual | | 1990 Appropriation | | 1991 Request | |
|---|---|---|---|---|---|---|
| | FTEs | Amount | FTEs | Amount | FTEs | Amount |
| Hazard Projects.......... | 2 | $251 | 2 | $131 | 3 | $202 |
| Continuing Publications and Outreach............ | 11 | 883 | 11 | 897 | 12 | 975 |
| Clearinghouse............ | 5 | 248 | 6 | 331 | 6 | 360 |
| Public Information Services................ | 20 | 1,344 | 25 | 1,621 | 24 | $1,690 |
| Management Support....... | 3 | 196 | 2 | 246 | 2 | 285 |
| Total............. | 41 | $2,922 | 46 | $3,226 | 47 | $3,512 |

The Consumer Information program ensures that important safety information gets to the consumer quickly and clearly. It also serves as an important way for consumers to communicate with the Commission. The information is intended to be adjunctive to the Hazard Assessment and Reduction and other programs, not an alternative, hence its relatively small size. The goal is to reduce injuries and deaths through preventive actions on the part of consumers.

The Commission receives consumer reports on product injuries and hazards; answers inquiries on injury data and safe-use operation; conducts public information projects to develop and disseminate safety information derived from technical findings of the Hazard Assessment and Reduction and other CPSC programs; and works with safety organizations, state and local governments, business groups, and the media on information projects. The program also develops and distributes information intended to increase public awareness of CPSC recalls and corrective actions, thus complementing the Compliance and Enforcement program.

Although this program is the Commission's smallest, the basic components of the information effort are functioning effectively, including the Clearinghouse, Freedom of Information Act project, the Hotline, and Recalls and Alerts. Other areas have been scaled back in recent years. Foremost among these are a reduction of funds available to print safety pamphlets and brochures, which have declined by 78% since 1985, and contract support to distribute printed material to consumers who request it. The 1990 budget also eliminated State/local contract support, and contract funds for conducting small-scale information campaigns on priority projects. They are not restored in the 1991 request.

The 1991 request continues activities at approximately the 1990 level. The request includes a net increase of 1 FTE assigned to small-scale information campaigns in priority areas. The use of new technology and approaches to better inform the public on product safety issues will be delayed until a future year.

Hazard Projects

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs........................ | 2 | 2 | 3 |
| Amount........................ | $251 | $131 | $202 |
| Hazard campaigns conducted........ | 3 | 3 | 3 |
| New publications printed.......... | 3 | 5 | 2 |
| News releases/public announcements.................... | 2 | 3 | 3 |
| News conferences/events........... | 3 | 1 | 3 |

The number of hazard campaigns proposed for 1991 continues at the annual average of three. As described below, these campaigns support several important 1991 hazard projects. Not to be equated with costly and elaborate private sector public relations or advertising campaigns, the 1991 CPSC campaigns entail an extremely small amount of staff time. They are also very cost-effective, as millions of consumers can be reached through television and other media through the use of donated air time and print space. The information efforts in 1991 are Cigarette Lighters, Playground Equipment, and Swimming/Diving.

Prior to issuance of the Commission's standard on child-resistant Cigarette Lighters in early 1992, the serious problem of fire deaths among children caused by lighters will be addressed by alerting consumers to the inherent dangers of children playing with them. To this end, the Commission will use several communication tools to convey to consumers the important message of keeping cigarette lighters away from children. Activities may include development and distribution of brochures, bill stuffers, and posters, and a radio public service announcement. Magazine articles will be written and placed in major consumer magazines read by parents and caretakers of children at no cost to the Commission.

To support the Playground Equipment project, the Commission will produce a new consolidated handbook from the existing two. This handbook will be based on the analysis of recent injury data developed in the hazard project during 1989 and 1990, and will cover all aspects of public playground equipment, including preschool equipment. The handbook will be developed in a format which would make possible its ready adoption by state and local jurisdictions as a model code. It will also provide general guidance to any organization, including schools and park departments, interested in erecting a safe playground or in reviewing existing ones for safety problems.

The third information campaign, Swimming/Diving, will develop and distribute consumer information materials directed to parents and pool owners on diving and residential swimming pool safety. Stimulating individual consumer action to prevent childhood drownings is perhaps the most important means of avoiding unnecessary deaths and debilitating injuries. The Commission will also continue its cooperative work with the pool industry, the pool servicers association, schools, pediatricians, and others to disseminate the various materials developed under this project.

Continuing Publications and Outreach

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs..................... | 11 | 11 | 12 |
| Amount.................... | $883 | $897 | $975 |
| Different publications printed.................. | 22 | 22 | 15 |
| Publications distributed under contract (millions).. | 1.7 | 1.5 | 1.5 |
| News releases/public announcements............. | 125 | 135 | 135 |
| News conferences/events..... | 3 | 3 | 3 |

The Commission continues to provide consumers with safety information related to previous years' hazard projects if the safety message is still valid and preventable accidents are still occurring. The subprogram includes continuing publications, media contacts, working with State and local organizations, and child safety promotion.

More than 1.5 million pieces of literature are printed and distributed by the Commission each year. The Commission stocks nearly 60 titles on subjects such as playground safety, older consumers' safety, home fire safety, baby safety, and indoor air quality, including asbestos in the home. An evaluation has shown that 81 percent of respondents used home heating equipment more safely after reading our literature. Eighty percent of respondents from the General Federation of Women's Clubs said they used the CPSC electrical safety audit to inspect their homes. This shows that our safety information is having its intended effect.

Under the Distribution Services project, a contractor warehouses and inventories all CPSC publications and fulfills publication requests. The contractor is a workshop for handicapped and retarded citizens, for whom this work is their only employment. Resources remain the same as in 1990 for this project.

The largest project in this subprogram is Ongoing/Seasonal activities, which includes information programs routinely conducted each year to maintain consumers' awareness of recurring safety problems. Programs include those on electrical safety, holiday and toy safety, nursery equipment, safety for older consumers, lawn mowers and power equipment, Halloween, fireworks, and home heating equipment. The tasks include reviewing and updating publications and encouraging national and regional organizations to use or reproduce CPSC information. To accomplish these tasks, CPSC works with regional centers and national coalitions, such as the Poison Prevention Week Council, to coordinate annual information programs.

The increase of 1 FTE for this project reflects a technical adjustment. Staff time is internally transferred from Public Information Services to more accurately show where information resources are presently being used.

The final project in this subprogram is Child Safety Promotion. Current information on children's safety is provided to the public through trade shows, special events, and news conferences such as Baby Safety Week and the holiday toy safety conference. Also included in the project is staff time for updating current literature and developing information materials on new hazards.

Clearinghouse

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs...................... | 5 | 6 | 6 |
| Amount.................... | $248 | $331 | $360 |
| Clearinghouse Data Requests: | | | |
| Pending, start of year.... | 200 | 100 | 50 |
| Requests received......... | 5,136 | 6,000 | 6,000 |
| Requests processed........ | 5,236 | 6,050 | 6,050 |
| Report incidents: | | | |
| Mailed for confirmation... | 4,914 | 4,900 | 4,900 |
| Mailed to manufacturers... | 1,715 | 1,800 | 1,800 |
| Accident investigation reports: | | | |
| Mailed to manufacturers... | 1,932 | 1,900 | 1,900 |

The Clearinghouse project will be continued at the 1990 level in 1991. The need to maintain an Information Clearinghouse is required by Section 5 of the Consumer Product Safety Act. Clearinghouse responsibilities include responding to Freedom of Information Act requests for injury data and filling information requests from Commission staff and others. The Clearinghouse also disseminates injury data through an annual publication.

Section 6(c) of the Act stipulates that the Commission must communicate to each manufacturer of a consumer product, insofar as may be practicable, information as to any significant risk of injury associated with this product. The Clearinghouse mails consumer complaints, reported incidents, and accident investigation reports to manufacturers twice a month. The Clearinghouse also mails complaints and reported incidents to the complainant for confirmation. This Section requires that the Commission take reasonable steps to ensure the accuracy of information which identifies a manufacturer or private labeler.

The number of data requests actually received in 1989 is approximately 15% below previous estimates. This figure can vary widely based on the public's need for CPSC data that particular year. The historical average is approximaely 6,000 requests per year, so that estimate had been assumed for both 1990 and 1991. The Commission remains current in the processing of these requests and by 1991 there will be no pending, unanswered requests.

The number of report incidents and accident investigation reports mailed do not relate to Clearinghouse data requests. Fewer of each were mailed to manufacturers in 1989 than projected, because fewer incidents and investigations required this to be done. Because this continues a declining trend, the 1990 and 1991 estimates have also been reduced.

Public Information Services

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs........................ | 20 | 25 | 24 |
| Amount...................... | $1,344 | $1,621 | $1,690 |
| Hotline: | | | |
| Calls answered.............. | 165,000 | 165,000 | 180,000 |
| Complaints processed........ | 2,000 | 2,000 | 2,500 |
| Recalls/alerts announced....... | 28 | 25 | 25 |
| Letters answered.......... ..... | 4,000 | 4,000 | 4,000 |
| Freedom of Information Act: | | | |
| Requests (processed in OS): | | | |
| Pending, start of year..... | 900 | 800 | 700 |
| Requests received.......... | 9,800 | 10,000 | 11,000 |
| Requests processed......... | 9,900 | 10,100 | 10,500 |

The Public Information Services subprogram includes resources to respond to the public's general requests for information, other than project-related publications described in Continuing Publications and Outreach. The projects comprising this activity are Media Relations, the Hotline, Freedom of Information Act (FOIA) activities, Correspondence Response, Recalls and Alerts, the Daily News Log, and Special Projects. Most of the Public Information Services projects will continue at the 1990 level in 1991. However, one FTE has been transferred from this subactivity to Continuing Publications and Outreach to reflect greater staff involvement in Ongoing/Seasonal activities. A new project in 1991 supports the National Safe Kids Campaign and requires only a small internal realignment of staff resources. This project is explained in more detail below.

The Media Relations project supports responding to media requests for information, interviews, and articles by Commission officials. Outgoing calls are made to media representatives announcing various Commission activities, such as news conferences, meetings, hearings, and other Commission functions of public interest.

Due to the recently installed automated answering equipment, the Hotline expects to answer 180,000 calls by 1991, 2,500 of which will be firsthand reports of product-related deaths, injuries, or other problems. The estimate of Hotline calls and compliants received have been reduced slightly from earlier estimates based on the Commission's experience in 1989, and because the hours of operation will be limited to business hours. This still represents an increase over previous years' outputs; for example, in 1988 only 114,000 calls were answered.

Resources for the Freedom of Information Act (FOIA) project will remain the same as the 1990 level. In 1989, fewer FOIA requests were received than predicted earlier because of a sharp drop in fourth quarter requests. The 1990 and 1991 estimates are reduced as a result. However, it is still estimated that the number of FOIA requests submitted to the Commission each year will continue to grow through 1991. Computerization of FOIA activities and other efficiency measures will increase the number of them which can be processed. Because FOIA requests generally take time to answer, there will always be some requests pending at the Agency.

The reported number of requests only represents those processed in the Office of the Secretary, and excludes those coming in to the Clearinghouse. These two figures are additive and in total they represent the Commission's entire FOIA effort.

A new project, Safe Kids Support, represents work with every State and local chapters of the National Safe Kids Coalition. This activity also includes Commission involvement in the National Safe Kids Campaign coordinated by the Children's Hospital National Medical Center. Through this network, the Commission will gain access to a ready audience of consumers interested in children's products and child safety. The Agency's child safety priorities will thus be integrated into future coalition programming at the local level. These coalitions are important avenues through which information is disseminated about children's product hazards, and about selecting and using children's products safely.

Management Support

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs .................... | 3 | 2 | 2 |
| Amount.................. | $196 | $246 | $285 |

This subprogram provides staff resources to work with the hazard program teams and with other units of the Commission to integrate public information into the overall work of the agency. It also supports the immediate office of the Director, Office of Information and Public Affairs, and includes computer support for all Consumer Information activities. The same number of FTEs is recommended for this subprogram as in 1990.

Public affairs specialists participate in all of the hazard program teams, developing information proposals to support hazard projects and offering advice when a hazard can be addressed through a public information activity. Once it has been decided that a public information effort should be undertaken, the plans of headquarters and regional center staff are coordinated to make efficient use of limited resources.

## VII. AGENCY MANAGEMENT

| | 1989 Actual | | 1990 Appropriation | | 1991 Request | |
|---|---|---|---|---|---|---|
| | FTEs | Amount | FTEs | Amount | FTEs | Amount |
| Commissioners and Staff.......... | 10 | $743 | 13 | $912 | 13 | $1,058 |
| Commission Advice/Legal Guidance. | 20 | 1,606 | 23 | 1,588 | 23 | 1,727 |
| Executive Direction.............. | 22 | 1,609 | 22 | 1,539 | 21 | 1,519 |
| General Administrative Services.. | 67 | 4,006 | 67 | 3,847 | 64 | 4,072 |
| Total......... | 119 | $7,964 | 125 | $7,886 | 121 | $8,376 |

The 1991 request for Agency Management is $8.4 million and 121 FTEs. The number of FTEs declines by four from 1990, since certain positions will not be filled due to resource limitations. The net dollar increase represents mandatory salary costs, including partial year costs of the executive level pay increase effective next January, and a proportional share of Common and Operating Costs. These increases are shown in the Summary of Changes, Table 3. As a percentage of total Commission resources, the management program declines from 24% of the dollars and 27% of the staff in 1985, to only 23% and 24%, respectively (Table 4).

The FTE reductions include one in Budget and Operations Planning, one in Financial Management, and two in Personnel Management. Three of the four represent cooperative education positions designed to provide practicial assistance to the Agency while encouraging careers in the public sector. The fourth is a career staff position.

The Common Costs and Operating Costs accounts described in this section directly support the Commission's programs and thus are not budgeted as discrete items in Agency Management. Rather. their costs are distributed among all the programs for the budget presentation. Examples of how they support programs include compliance investigator travel, shipment costs for violative product samples, computers for analyzing NEISS data, and training of U.S. Customs staff regarding CPSC test procedures. Both Common and Operating Costs have been reduced in recent years in order to absorb annual pay raises. No funds are included in 1991 for any CPSC equipment purchases; training funds average $38 per employee, far less than the $300-$500 cost of an Office of Personnel Management course; no funds are available for any computer purchases, including replacement terminals or software; and similar restrictions apply to every category of administrative cost, with the exception of mandatory charges such as rent. The impact of 1991 reductions on programs is described below.

### Commissioners and Staff

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs.......................... | 10 | 13 | 13 |
| Amount........................ | $743 | $912 | $1,058 |

This project includes support for three Commissioners, including their professional assistants, clerical staff, travel, and other costs. This is consistent with the Administration's support for a three-member Commission. No major adjustments are included in the 1991 request. A proportional share of Common Costs, Operating Costs, and salary adjustments attributable to this activity have been included, as well as the 1991 executive level pay adjustment, resulting in an increase over the 1990 figure.

Commission Advice/Legal Guidance

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 20 | 23 | 23 |
| Amount | $1,606 | $1,588 | $1,727 |

Included in this activity are the Commission's immediate staff offices, including the Office of Congressional Relations, Office of Equal Employment Opportunity and Minority Enterprise, the Office of the General Counsel, and the Office of the Secretary. It also includes the newly-established Office of the Inspector General, mandated by law in 1988, formerly the internal audit staff. These offices are directly responsible to the Commission, providing advice and assistance on matters of policy and management. No changes are proposed for 1991 other than mandatory salary adjustments.

The Office of the General Counsel (OGC) is responsible for document preparation, document review, legal advice, and ethics coordination. These functions include providing day-to-day legal and policy comments, and advice, to the Commissioners, staff, and outside parties; defending the Agency in various types of legal actions brought against the Commission in Federal courts and before other agencies; and coordinating the rule review program.

A continuing responsibility of the Office of the General Counsel through 1991 is implementation of the ATV consent decree. Work will include continual review and approval of safety labels, manuals, training, and media activities, as well as addressing instances of noncompliance uncovered in the monitoring process.

The Office of the Inspector General was established as an independent unit in 1989. The Office will begin several financial audits of limited scope, required by the Inspector General Act of 1988. The audits will examine financial systems in place within the Commission, including the accounting system. As discussed below, operating costs are added for direct costs of the Office.

No resource changes are proposed for the Office of the Secretary in 1991. The Office ensures that decisions are properly recorded and maintained in an orderly and effective manner, and that Commission records of actions remain readily accessible to the public. It issues Commission decisions, orders, rules, Federal Register notices, and other official documents for the Commission. The office is also responsible for preparing Commission agendas under the Government in the Sunshine Act, for supervising and administering the dockets of adjudicative proceedings, and for processing Continuing Guarantees as required by the Flammable Fabrics Act.

Executive Direction

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 22 | 22 | 21 |
| Amount | $1,609 | $1,539 | $1,519 |

This subprogram supports the immediate Office of the Executive Director and the associated staff offices. These include the Office of Planning and Evaluation, Office of Program Management and Budget, and the Directorate for Field Operations. These offices provide direct, day-to-day administrative management of agency programs and operations. They are responsible for coordinating and directing agency activities in a manner consistent with the policy decisions and guidance provided by the Commissioners.

The Office of Planning and Evaluation (OPE) will continue to address major program goals, organizational studies, and short- and long-term planning and evaluation activities. The Office prepares issue papers, develops goals and objectives for major functional programs, conducts surveys, and recommends plans and proposals for adoption by the Commission.

In 1991, OPE expects to conduct a major program evaluation, three management analyses, and five special studies. The specific topics to be addressed will be selected during the fiscal year. The Office will also oversee six vulnerability assessments to minimize the potential for fraud, waste, and abuse in Commission activities. In addition, OPE will continue to manage changes to the Agency's directive system.

Staffing for the Office of Program Management and Budget will be reduced by one cooperative education student in 1991. Basic responsibilities of the Office will continue to be met, including hazard project management, budget development, resource management, international standards activities, and information resources management.

No 1991 changes are proposed for the Directorate for Field Operations.

General Administrative Services

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Resources: | | | |
| FTEs | 67 | 67 | 64 |
| Amount | $4,006 | $3,847 | $4,072 |

The General Administrative Services subprogram represents those activities providing direct administrative support for Commission programs. These include personnel administration, contracting services, accounting, automated data processing, library services, printing, security, etc. Each of these services is essential to ensuring efficient operation of the Commission's programs and conformance to current government management regulations. A reduction of three FTEs is proposed for 1991. Two of them represent cooperative education students assigned to the areas of financial management and personnel administration.

Program Support Activities

The two accounts discussed in this section, Common Costs and Operating Costs, support all Commission programs. Their costs are prorated among all programs and projects. These accounts provide the resources to perform activities such as shipping product samples, computerizing product and injury data, and traveling to investigation sites, as well as such necessary annual expenditures as staff training and rent. The 1991 requests for each are discussed below.

A. Common Costs

Beyond the rent and telecommunications adjustments shown in Table 3, the Common Costs budget declines in 1991. Most categories of discretionary procurements will be reduced in order to continue essential support activities such as payroll services, printing of Federal Register notices, postage, and the like. Funds for training of CPSC staff, for example, will be reduced from $73 per employee to only $38 per employee. The library services contract will be terminated and on-board staff transferred from program work to library management responsibilities. Various technical publications will be terminated or curtailed in 1991.

Reductions in Common Costs support funds will impact training in the latest scientific techniques and investigatory methods; the aggregation of information on Field activities, such as product sample collection and investigation results through computer support; and the printing of safety information. Reductions in other services, combined with those in Operating Costs, are expected to reduce the efficiency of program operations.

B. Operating Costs

The Operating Costs budget for 1991 is also reduced below 1990 levels, exclusive of Field rent adjustments. The reduction will affect program-related travel, printing, and technical support for computerization initiatives, as well as supply purchases. No funds are planned for further implementing the office automation system (OAS), an integrated computer network linking employee word processing, spreadsheet, database, electronic mail, and other special purpose functions of various Commission offices. Travel funds will be reduced by 20% for headquarters offices and 10% for regional centers. Staff travel to conduct accident investigations, monitor the all-terrain vehicle consent decree, attend meetings with standards-setting organizations, and share information among regional centers and resident posts will be limited.

Only about one-third the average annual expenditure is planned for printing safety pamphlets and brochures. They will be limited to publications concerning the most important hazard projects and seasonal safety messages. The number of copies of publications provided to large-volume requestors, such as state governments, will also be limited.

## Program and Financing
(dollars in thousands)

| Program by Activities: | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Hazard Identification and Analysis.... | $4,826 | $4,791 | $4,977 |
| Hazard Assessment and Reduction....... | 7,876 | 7,010 | 6,804 |
| Compliance and Enforcement........... | 10,583 | 12,234 | 11,940 |
| Consumer Information.................. | 2,922 | 3,226 | 3,512 |
| Agency Management..................... | 7,964 | 7,886 | 8,376 |
| Total, direct program...... | 34,171 | 35,147 | 35,609 |
| Reimbursable program.................. | 153 | 170 | 170 |
| Total obligations.......... | $34,324 | $35,317 | $35,779 |
| Financing: | | | |
| Offsetting collections from: | | | |
| Federal Funds...................... | -150 | -160 | -160 |
| Non-Federal sources................ | -3 | -10 | -10 |
| Unobligated balance lapsing........... | 329 | -- | -- |
| Budget authority...................... | 34,500 | 35,147 | 35,609 |
| Budget Authority: | | | |
| Appropriation......................... | 34,500 | 35,700 | 35,609 |
| Reduction pursuant to P.L. 101-144.... | -- | -553 | -- |
| Appropriation (adjusted).............. | 34,500 | 35,147 | 35,609 |
| Relation of Obligations to Outlays: | | | |
| Obligations incured, net.............. | 34,171 | 35,147 | 35,609 |
| Obligated balance, start of year...... | 5,616 | 5,590 | 5,736 |
| Obligated balance, end of year........ | -5,590 | -5,736 | -5,805 |
| Adjustments in expired accounts....... | -486 | -- | -- |
| Outlays............................... | $33,711 | $35,001 | $35,540 |

Object Classification
(dollars in thousands)

| | Direct Obligations: | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|---|
| | Personnel Compensation: | | | |
| 11.1 | Full-time permanent.................. | $19,269 | $20,450 | $21,476 |
| 11.3 | Other than full-time permanent...... | 1,433 | 1,521 | 1,597 |
| 11.5 | Other personnel compensation........ | 276 | 217 | 236 |
| 11.8 | Special personnel services payments. | 11 | -- | -- |
| 11.9 | Total personnel compensation........ | 20,989 | 22,188 | 23,309 |
| | Personnel benefits: | | | |
| 12.1 | Civilian............................ | 2,992 | 3,492 | 3,669 |
| 13.0 | Benefits for former personnel....... | 20 | 25 | 25 |
| | Subtotal............................ | 24,001 | 25,705 | 27,003 |
| 21.0 | Travel and transportation of persons. | 458 | 650 | 650 |
| 22.0 | Transportation of things............ | 64 | 64 | 55 |
| 23.1 | Rental payments to GSA.............. | 2,423 | 2,610 | 2,761 |
| 23.2 | Rental payments to others........... | 32 | 32 | 32 |
| 23.3 | Communication, utilities and miscellaneous charges.............. | 1,635 | 1,640 | 1,519 |
| 24.0 | Printing and reproduction........... | 367 | 336 | 266 |
| 25.0 | Other services...................... | 4,171 | 3,803 | 3,054 |
| 26.0 | Supplies and materials.............. | 378 | 231 | 263 |
| 31.0 | Equipment........................... | 631 | 70 | -- |
| 42.0 | Insurance claims and indemnities..... | 11 | 6 | 6 |
| 99.0 | Subtotal, direct obligations......... | 34,171 | 35,147 | 35,609 |
| | Reimbursable Obligations: | | | |
| 21.0 | Travel and transportation of persons. | 21 | 10 | 10 |
| 25.0 | Other services...................... | 132 | 160 | 160 |
| | Subtotal, reimbursable obligations... | 153 | 170 | 170 |
| 99.9 | Total obligations .................. | $34,324 | $35,317 | $35,779 |

Personnel Summary

| Direct: | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Total number of full-time permanent positions.................. | 487 | 514 | 498 |
| Total compensable work years: | | | |
| Full-time equivalent employment....... | 515 | 542 | 526 |
| Full-time equivalent of overtime and holiday hours.................... | 1 | 1 | 1 |
| Average ES salary....................... | $77,367 | $80,723 | $102,477 |
| Average Gs/GM grade..................... | 11.00 | 10.89 | 11.02 |
| Average GS/GM salary.................... | $40,574 | $42,714 | $44,209 |

**Resources by Organization**
**(dollars in thousands)**

| Organization | 1989 Actual FTEs | 1989 Actual Amount | 1990 Appropriation FTEs | 1990 Appropriation Amount | 1991 Request FTEs | 1991 Request Amount |
|---|---|---|---|---|---|---|
| Commissioners | 10 | $674 | 13 | $798 | 13 | $949 |
| Office of the Secretary | 16 | 658 | 17 | 711 | 17 | 769 |
| Office of Congressional Relations | 3 | 147 | 3 | 184 | 3 | 220 |
| Office of the General Counsel | 14 | 920 | 14 | 912 | 14 | 1,042 |
| Office of Equal Employment Opportunity and Minority Enterprise | 2 | 117 | 2 | 123 | 2 | 146 |
| Office of the Inspector General | 1 | 36 | 1 | 61 | 1 | 74 |
| Office of the Executive Director | 5 | 345 | 5 | 326 | 5 | 356 |
| Office of Planning and Evaluation | 6 | 384 | 6 | 355 | 6 | 372 |
| Office of Program Management and Budget | 26 | 1,489 | 25 | 1,562 | 24 | 1,570 |
| Directorate for Epidemiology | 56 | 4,129 | 59 | 4,351 | 58 | 4,436 |
| Directorate for Economic Analysis | 14 | 1,019 | 15 | 888 | 14 | 888 |
| Directorate for Engineering Sciences | 54 | 3,302 | 57 | 3,126 | 54 | 3,194 |
| Directorate for Health Sciences | 39 | 2,553 | 41 | 2,266 | 40 | 2,220 |
| Office of Information and Public Affairs | 10 | 1,175 | 9 | 1,103 | 9 | 1,166 |
| Directorate for Compliance and Administrative Litigation | 37 | 1,916 | 42 | 2,665 | 40 | 2,331 |
| Directorate for Administration | 64 | 3,111 | 67 | 3,108 | 64 | 3,375 |
| Field Offices | 145 | 8,145 | 153 | 8,625 | 149 | 8,691 |
| Common Costs | -- | 4,051 | -- | 3,983 | -- | 3,810 |
| Total Direct Obligations | 502 | $34,171 | 529 | $35,147 | 513 | $35,609 |

Detail of Permanent Positions

| | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Executive Level III............. | 1 | 1 | 1 |
| Executive Level IV.............. | 2 | 2 | 2 |
| Subtotal............... | 3 | 3 | 3 |
| ES-6............................ | 3 | 3 | 3 |
| ES-5............................ | 3 | 3 | 3 |
| ES-4............................ | 7 | 7 | 7 |
| Subtotal............... | 13 | 13 | 13 |
| GS/GM-15. ...................... | 52 | 51 | 51 |
| GS/GM-14........................ | 55 | 55 | 55 |
| GS/GM-13........................ | 71 | 72 | 72 |
| GS-12........................... | 95 | 96 | 96 |
| GS-11........................... | 71 | 71 | 71 |
| GS-10........................... | -- | -- | -- |
| GS-09........................... | 41 | 40 | 40 |
| GS-08......................... | 9 | 9 | 9 |
| GS-07........................... | 29 | 30 | 30 |
| GS-06........................... | 23 | 23 | 23 |
| GS-05........................... | 36 | 35 | 35 |
| GS-04... ....................... | 14 | 14 | 14 |
| GS-03........................... | 2 | 2 | 2 |
| Subtotal.............. | 498 | 498 | 498 |
| Total permanent positions....... | 514 | 514 | 514 |
| Unfilled Positions, end of year. | -27 | -- | -16 1/ |
| Total Permanent Employment, end of year................... | 487 | 514 | 498 |

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1/ Sixteen permanent positions will remain unfilled due to resource limitations.

## Staffing Charts - Full Time Permanent Positions 1/

### CHAIRMAN JONES-SMITH

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| LEVEL III<br>CHAIRMAN | 1 | 1 | 1 |
| SES-6<br>EXECUTIVE ASSISTANT | 1 | 1 | 1 |
| GS-15<br>SPECIAL ASSISTANT | 1 | 1 | 1 |
| GS-13 AND BELOW | 2 | 2 | 2 |
| TOTAL FTP | 5 | 5 | 5 |

### COMMISSIONER DAWSON

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| LEVEL IV<br>COMMISSIONER | 1 | 1 | 1 |
| GS-15<br>SPECIAL ASSISTANT | 2 | 2 | 2 |
| GS-13 AND BELOW | 1 | 1 | 1 |
| TOTAL FTP | 4 | 4 | 4 |

### COMMISSIONER GRAHAM

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| LEVEL IV<br>COMMISSIONER | 1 | 1 | 1 |
| GS-15<br>SPECIAL ASSISTANT | 1 | 1 | 1 |
| GS-14<br>SPECIAL ASSISTANT | 1 | 1 | 1 |
| GS-13 AND BELOW | 1 | 1 | 1 |
| TOTAL FTP | 4 | 4 | 4 |

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1/ Positions identified relate to Agency FTE ceiling and staffing pattern, not actual FTE utilization rates. Totals may therefore be higher than positions supportable under the budget request.

## OFFICE OF THE INSPECTOR GENERAL

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| GM-15<br>INSPECTOR GENERAL | 1 | 1 | 1 |
| TOTAL FTP | 1 | 1 | 1 |

## OFFICE OF THE SECRETARY

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| GM-15<br>SECRETARY | 1 | 1 | 1 |
| GM-14<br>ASSISTANT SECRETARY | 1 | 1 | 1 |
| GM-14<br>FREEDOM OF INFORMATION OFFICER | 1 | 1 | 1 |
| GS-13 AND BELOW | 13 | 13 | 13 |
| TOTAL FTP | 16 | 16 | 16 |

## OFFICE OF CONGRESSIONAL RELATIONS

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| GM-15<br>DIRECTOR | 1 | 1 | 1 |
| GS-13 AND BELOW | 2 | 2 | 2 |
| TOTAL FTP | 3 | 3 | 3 |

## OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY AND MINORITY ENTERPRISE

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| GM-15<br>DIRECTOR | 1 | 1 | 1 |
| GS-13 AND BELOW | 1 | 1 | 1 |
| TOTAL FTP | 2 | 2 | 2 |

## OFFICE OF THE GENERAL COUNSEL

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-5<br>GENERAL COUNSEL | 1 | 1 | 1 |
| GM-15<br>ASSISTANT GENERAL COUNSEL | 3 | 3 | 3 |
| GS-15<br>ATTORNEY | 2 | 2 | 2 |
| GS-14<br>ATTORNEY | 4 | 4 | 4 |
| GS-13 AND BELOW | 4 | 4 | 4 |
| TOTAL FTP | 14 | 14 | 14 |

## OFFICE OF THE EXECUTIVE DIRECTOR

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-6<br>EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| SES-6<br>DEPUTY EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>VOLUNTARY STANDARDS COORDINATOR | 1 | 1 | 1 |
| GS-13 AND BELOW | 2 | 2 | 2 |
| TOTAL FTP | 5 | 5 | 5 |

## OFFICE OF PROGRAM MANAGEMENT AND BUDGET

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-4<br>DIRECTOR | 1 | 1 | 1 |
| GM-15<br>INFORMATION RESOURCE MANAGER | 1 | 1 | 1 |
| GM-15<br>BUDGET AND PLANNING OFFICER | 1 | 1 | 1 |
| GM-15<br>PROGRAM MANAGER | 4 | 4 | 4 |
| GM-15<br>FIRE PROGRAM OFFICER | 1 | -- | -- |
| GM-14<br>PROJECT MANAGER | 6 | 6 | 6 |
| GS-14<br>INT'L PROGRAM COORDINATOR | 1 | 1 | 1 |
| GS-14<br>BUDGET ANALYST | 1 | 1 | 1 |
| GS-13 AND BELOW | 9 | 10 | 10 |
| TOTAL FTP | 25 | 25 | 25 |

## OFFICE OF PLANNING AND EVALUATION

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| GM-15<br>DIRECTOR | 1 | 1 | 1 |
| GS-14<br>PROGRAM ANALYST | 1 | 1 | 1 |
| GS-13 AND BELOW | 4 | 4 | 4 |
| TOTAL FTP | 6 | 6 | 6 |

## OFFICE OF INFORMATION AND PUBLIC AFFAIRS

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| GM-15<br>DIRECTOR | 1 | 1 | 1 |
| GM-15<br>EDUCATION SPECIALIST | 1 | 1 | 1 |
| GM-14<br>PUBLIC AFFAIRS SPECIALIST | 1 | 1 | 1 |
| GS-13 AND BELOW | 5 | 5 | 5 |
| TOTAL FTP | 8 | 8 | 8 |

## DIRECTORATE FOR ECONOMICS

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-4<br>ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>DIVISION DIRECTOR | 2 | 2 | 2 |
| GS-14<br>ECONOMIST | 5 | 5 | 5 |
| GS-13 AND BELOW | 7 | 7 | 7 |
| TOTAL FTP | 15 | 15 | 15 |

### DIRECTORATE FOR ENGINEERING SCIENCES

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-4<br>ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>DEPUTY ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>DIVISION DIRECTOR | 3 | 3 | 3 |
| GM-14<br>BRANCH CHIEF | 4 | 4 | 4 |
| GS-14<br>MECHANICAL ENGINEER | 3 | 3 | 3 |
| GS-14<br>GENERAL ENGINEER | 1 | 1 | 1 |
| GS-14<br>CHEMICAL ENGINEER | 1 | 1 | 1 |
| GS-13 AND BELOW | 43 | 43 | 43 |
| TOTAL FTP | 57 | 57 | 57 |

### DIRECTORATE FOR HEALTH SCIENCES

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-4<br>ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| SES-5<br>DEPUTY ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>MEDICAL OFFICER | 1 | 1 | 1 |
| GM-15<br>DIVISION DIRECTOR | 3 | 3 | 3 |
| GS-14<br>TOXICOLOGIST | 1 | 1 | 1 |
| GS-14<br>PHARMACOLOGIST | 1 | 1 | 1 |
| GS-14<br>VETERINARY MEDICAL OFFICER | 1 | 1 | 1 |
| GS-13 AND BELOW | 32 | 32 | 32 |
| TOTAL FTP | 41 | 41 | 41 |

### DIRECTORATE FOR FIELD OPERATIONS

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-4<br>ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>STATE AND LOCAL PROGRAM OFFICER | 1 | 1 | 1 |
| GS-13 AND BELOW | 3 | 3 | 3 |
| TOTAL FTP | 5 | 5 | 5 |

### REGIONAL CENTERS

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| GM-15<br>REGIONAL OFFICE DIRECTOR | 3 | 3 | 3 |
| GS-13 AND BELOW | 142 | 142 | 142 |
| TOTAL FTP | 145 | 145 | 145 |

DIRECTORATE FOR ADMINISTRATION

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-4<br>ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>DEPUTY ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>DIVISION DIRECTOR | 4 | 4 | 4 |
| GM-14<br>ACCOUNTING OFFICER | 1 | 1 | 1 |
| GM-14<br>COMPUTER SPECIALIST | 1 | 1 | 1 |
| GM-14<br>ADMINISTRATIVE SERVICES OFFICER | 1 | 1 | 1 |
| GM-14<br>BRANCH CHIEF | 3 | 3 | 3 |
| GS-13 AND BELOW | 51 | 51 | 51 |
| TOTAL FTP | 63 | 63 | 63 |

DIRECTORATE FOR COMPLIANCE AND ADMINISTRATIVE LITIGATION

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-4<br>ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>DIVISION DIRECTOR | 3 | 3 | 3 |
| GS-15<br>ATTORNEY | 2 | 2 | 2 |
| GM-15<br>PROGRAM MANAGER | 1 | 1 | 1 |
| GS-14<br>ATTORNEY | 7 | 7 | 7 |
| GM-14<br>COMPLIANCE OFFICER | 2 | 2 | 2 |
| GS-14<br>COMPLIANCE OFFICER | 1 | 1 | 1 |
| GS-13 AND BELOW | 24 | 24 | 24 |
| TOTAL FTP | 41 | 41 | 41 |

DIRECTORATE FOR EPIDEMIOLOGY

| GRADE AND TITLE | 89 | 90 | 91 |
|---|---|---|---|
| SES-5<br>ASSOCIATE EXECUTIVE DIRECTOR | 1 | 1 | 1 |
| GM-15<br>DIVISION DIRECTOR | 3 | 3 | 3 |
| GM-14<br>STATISTICIAN | 2 | 2 | 2 |
| GM-14<br>PROGRAM ANALYST | 1 | 1 | 1 |
| GS-14<br>STATISTICIAN | 2 | 2 | 2 |
| GS-13 AND BELOW | 45 | 45 | 45 |
| TOTAL FTP | 54 | 54 | 54 |

## Advisory and Assistance Services
(dollars in thousands)

| Type of Service | 1989 Actual | 1990 Appropriation | 1991 Request |
|---|---|---|---|
| Contractual Services........ | $309 | $169 | $85 |
| Personnel Appointments...... | -- | -- | -- |
| Advisory Committee Expenses. | -- | 20 | -- |
| TOTAL............... | $309 | $189 | $85 |

In 1991, only $85,000 is scheduled to be obligated for advisory and assistance services, as defined in OMB guidance. The reduction below the 1989 and 1990 figures relates to the decline in contract awards to be made during the year. A description of these funds is included below.

### Contractual Services

In 1991, no contracts will be awarded in support of hazard studies, evaluation studies, state/local contracts for consumer information, and accident investigations in remote areas. The 1991 request includes only two categories of advisory and assistance services, economic special studies and product safety assessments. Each is proposed for funding in 1991 at one-half the 1990 amount. Economic studies obtain data on product use, product life estimates, manufacturing data, and similar information. Product safety assessments obtain short-turnaround, technical evaluations of potentially hazardous product to determine whether remedial action is necessary.

### Advisory Committee Expenses

The Medical Advisory Committee on Aspiration, Asphyxiation and Ingestion Hazards-Small Parts is scheduled to meet three times in fiscal year 1990. This advisory committee will provide expertise in developing and supporting recommendations for reducing deaths and injuries from asphyxiation based upon medical review of staff analyses, technical literature, and available incident data involving objects lodged in the throats of young children. No advisory committee expenditures are planned for 1991.

WEDNESDAY, FEBRUARY 21, 1990.

# SELECTIVE SERVICE SYSTEM

## WITNESSES

SAMUEL K. LESSEY, JR., DIRECTOR
G. HUNTINGTON BANISTER, CONTROLLER
LEWIS C. BRODSKY, ASSISTANT DIRECTOR FOR PUBLIC AFFAIRS
D. FREIDA BROCKINGTON, MANAGER, REGISTRATION DIVISION

Mrs. BOGGS. We certainly do welcome you to the committee, and it's very good to have you here to give me some overview and to answer our questions.

The Selective Service System is requesting $26,635,000 in fiscal year 1991, and that represents an increase of $730,000 above the 1990 current estimate of $25,905,000.

Also, you are requesting 277 FTE, which is an increase of 10 above 1990 and 16 above 1989. I would be very happy to have your statement now.

Mr. LESSEY. Good afternoon, Madam Chairman. We are delighted to be here. I think it would facilitate matters if I may submit my statement for the record.

Mrs. BOGGS. Certainly.

[The prepared statement of Samuel K. Lessey, Jr., and biographies of Lewis C. Brodsky and D. Freida Brockington follow:]

# STATEMENT OF SAMUEL K. LESSEY JR.
# DIRECTOR, SELECTIVE SERVICE SYSTEM

Mr. Chairman, distinguished members of the Subcommittee; it is a pleasure to be here today to testify on the Selective Service System's budget for Fiscal Year 1991.

The Agency is requesting $26,635,000 for Fiscal Year 1991. This level, reflecting a 2.8 percent increase over the current appropriation, provides for inflation computed in accordance with OMB's economic assumptions, and funds to purchase essential data entry hardware and software for the Agency's Data Management Center.

With the monumental changes occurring in the social and political fabric of Eastern Europe and the Soviet Union, and with the reduction in world tension, you hear very little about the mission of the Selective Service System these days. Indeed, this Agency's readiness to serve our nation in a crisis is often taken for granted. But even with its low profile, one should not underestimate the ability of the Selective Service System to play its pivotal and time-critical role, should diplomacy ever fail in our still imperfect world.

Today, there is talk about reducing defense expenditures and making the most effective use of scarce resources. In this regard, the Selective Service System provides America with a defense "insurance policy" at minimal cost. With its small annual budget, the Selective

Service System maintains for our country the capability of rapidly mobilizing national manpower. Specifically, during a national emergency, the Agency gives America the ability to provide as many men as necessary from among over 14 million registrants, 18 through 25 years of age. Because of peacetime registration, Selective Service could begin the notification and induction process immediately after receiving Congressional and Presidential authority.

As the nation contemplates reductions in the size of its Armed Forces, it must maintain viable military manpower options. Any reduction in trained personnel means a greater reliance upon the emergency System which would call untrained men into military service. In today's atmosphere, the capability to meet the manpower requirements for a conventional wartime scenario grows in importance. Recently, on the occasion of the appointment of the first woman to become a state director for the Selective Service System, President George Bush said, "Efficient, effective operation of our Selective Service System is vital to maintaining our national security." Given adequate resources as the 1990's begin, the Selective Service System can maintain a high state of readiness and measure up to any future challenge.

Mobilization readiness and registration compliance continue to be the most important activities of the Selective Service System. During FY 1989, the Agency conducted mobilization readiness exercises to test the plans and procedures for conducting operations at mobilization locations. Over 440 Area Offices and 55 State Headquarters were activated across the Nation, providing exercises and training for approximately 700 Reserve Forces Officers (RFOs), 1500 Army National Guard Recruiter Augmentees, and 2200 volunteer board members. During joint exercises involving the Office of the Joint Chiefs of Staff, the Department of Defense, and Selective Service, nation-wide testing of the Area Office Terminal System was conducted, as well as the induction, claims, and appeals ADP support systems at the Joint Computer Center. Similar readiness initiatives and exercises are planned for the future. In FY 1991, the Agency will continue to register men as they reach age 18, conduct a non-registrant identification program to ensure compliance with the law, and maintain a data base of registrant and non-registrant records.

The Military Selective Service Act, section 10(h), as amended by section 715, P.L. 100-180, approved December 4, 1987, requires the Selective Service System to develop a system for the delivery of health care personnel to the armed forces in a national emergency. The development of this system began in January 1988, and will be completed in four phases. Phase I, consisting of a needs analysis and plan of action, and Phase II, consisting of a concept of operations, a detailed study of the policies and procedures related to the induction of health care personnel, and the identification of the functional ADP requirements, have been completed. Phase III, consisting of the development of an ADP system, is expected to be completed in FY 1990. Phase IV, consisting of testing, evaluation, and program refinement, should be completed during FY 1991. Completion of the statutorily mandated Health Care Personnel Delivery System will improve the Agency's mobilization readiness posture.

The Agency is phasing in a corrective realignment of its most critical element in mobilization readiness, the Reserve Forces Program. Army National Guard positions were evaluated during FY 1989 and aligned effective October 1, 1989, to meet mobilization staffing requirements. The structure of the other Agency RFO positions is being evaluated, and these will be realigned during FY 1990. When completed, the new alignment will reduce authorized grade levels, thereby reducing overall costs.

To ensure a continued high level of compliance, Selective Service maintains a dynamic registration improvement program which encompasses a variety of awareness and registration activities at the Federal, State, and local levels. The cornerstone of the registration improvement program is the Registration Reminder Mail-back Program, a direct-mail effort designed to contact young men approaching age 18 to inform them of the registration requirement and offer them the opportunity to fulfill that requirement. This cost-effective, ongoing program has proven to be an outstanding success. As of the end of January 1990, this program had generated over 830,000 registrations equating to an overall response rate of more than 36 percent to all mailings.

With nearly five thousand young men turning 18 every day, an aggressive public awareness program helps maintain a high compliance rate. Despite limited funds, the Office of Public Affairs maintains a public awareness program backed up with quality materials. Additionally, Selective Service is fortunate to have the support of radio and television public service directors, newspaper editors, and high school principals, teachers, and guidance counselors.

Instrumental in achieving and maintaining high registration compliance among young men is the supportive legislation passed by the Congress, such as the Solomon and Thurmond Amendments. The Agency is also experiencing helpful cooperation from other appropriate Federal agencies. A joint program with the Department of Labor allows Job Training Partnership Act (JTPA) administrators to register JTPA applicants prior to enrollment. A similar program has been implemented with the Department of Labor Job Corps Program. Selective Service makes use of Department of Defense records to register men automatically as they enter or leave military service. In addition, most states have laws, policies, or programs which support the Selective Service System.

The Selective Service System's Data Management Center (DMC), which processes and maintains critical data, is essential for mobilization readiness. The DMC is responsible for issuing induction orders and processing records of claims and appeals in the event of a draft. The data entry equipment used to record the registration of the nation's young men is obsolete. The current system, built on the technology of the late 1970's, has not been marketed since 1987. The availability of spare parts and knowledgeable technicians is rapidly diminishing. Repair and maintenance costs are substantial, and equipment failure is becoming more frequent. In spite of efforts to reduce spending, an urgent need exists in FY 1991 to replace the outdated data entry equipment at the DMC. It is estimated that $220,000 will be required for the purchase of this data entry hardware and software.

The DMC processed over 16 million documents in 1989, and the DMC Registration Information Office handled over 523,000 calls from the public to verify registrations in 1989. This constitutes an 18% increase over the volume of calls received in FY 1988. Most calls were from registrants wishing to verify their registration in order to qualify for benefits under the Job Training Partnership Act, Pell Grants, and student financial assistance programs, as well as to qualify for Federal and some State jobs, where the State has made Selective Service registration a requirement. Constituent service has become a major element of our business!

The Military Selective Service Act recognizing and respecting the status of those registrants with conscientious objection to participation in military training and service, provides for non-military service in the national interest which will allow a young man to fulfill his obligation to his country in a manner consistent with his beliefs. During periods of active induction, the alternative service program will identify eligible employers, place conscientious objectors in appropriate jobs, and monitor their performance. In addition, the Alternative Service Program will certify their satisfactory completion, and provide a structure of Civilian Review Boards to review job assignments when a conscientious objector alleges that his assignment violates his beliefs.

The automated system which monitors the processing status of conscientious objectors is known as the Alternative Service Program System (ASPS). The automated system is complete, and refinements are being made to improve and streamline the procedures. An ASPS User's Guide is being developed to instruct personnel on how to operate the system and enter transactions related to a conscientious objector's performance.

The leases on the properties which house the Agency's headquarters and its computer center in Alexandria, Virginia both expire in January 1991. This may be an opportune time to seek the possible benefits of consolidating the Alexandria ADP staff with the headquarters staff; however, there will be certain increased costs inherent to a relocation. For example, according to the terms of the current lease, we will have to restore Alexandria's computer room to its original condition; and, at any new location, we would have to install a telephone system and possibly make renovations to meet the Agency's organizational and functional requirements.

During the past few years Selective Service has been able to take on greater responsibilities and still maintain mobilization readiness, despite rising costs and diminishing resources. We have accomplished this by curtailing or eliminating several important activities, by reducing operating expenses to a "bare bones" level, and by implementing cost saving initiatives such as the Registration Reminder Mail-back Program and the corrective alignment of Reserve forces. However, I would be remiss if I did not express concern that further resource reductions could make it extremely difficult to prevent some deterioration in mission readiness.

Continuous budget reductions and the requirement to absorb pay raises presents the Selective Service System with the same dilemma faced by many other small agencies, in that the Agency does not have discretionary funds which can be reprogrammed to meet the rising costs. The budget consists of over 65 percent civilian and military personnel costs and most of the remainder rests in large fixed costs such as the U.S. Postal Service charge for processing registrations, printing and mailing, space rental, and the basic operation of the Data Management Center.

In closing, I can assure you that, given adequate support, the employees and volunteers of the Selective Service System are prepared for the future, while being ever mindful of the past. A quote comes to mind: "May the time never come when we are compelled to put what we have learned into effect, but if it does, let us pray we shall be ready." These words were spoken 50 years ago by a young Army major who would soon achieve his place of honor in history. Then Major Lewis B. Hershey concluded a regional conference of 100 Reserve Officers with those words. It was a treacherous time. As Nazi Germany pushed through the Low Countries, Hershey and these officers had gathered in San Francisco to train as the nucleus of a new draft organization under the auspices of the Joint Army and Navy Selective Service Committee. A few months later, on September 16, 1940, the modern-day Selective Service System was formed with the passage of the Selective Service and Training Act. And the rest, as they say, is history.

In September, the Agency will celebrate its 50th Anniversary. It was born out of the fears preceding U.S. involvement in World War II. It was active throughout that terrible war, and served the nation faithfully during Korea, and Vietnam. It was maintained at the ready or in standby between the wars, often providing manpower to a peacetime military. Now, as we approach the half century mark, the Agency serves effectively, efficiently, and at minimum cost in a rapidly changing world where the outlook for sustained peace is bright. But history tells us the price of national security is eternal vigilance. To that end, the Selective Service System will continue to perform its contemporary and vital role of guaranteeing military manpower readiness. It is ready to keep America strong for a long time to come.

Mr. Chairman, this concludes my statement.

# Lewis C. Brodsky

## Assistant Director (Public Affairs)
## The Selective Service System

Lewis Brodsky is Public Affairs Director for the Selective Service System at National Headquarters in Washington. He serves as principal spokesman for the agency, and manages its communications and public awareness programs. His duties include management of public service advertising campaigns in print and broadcast media, and direct marketing programs aimed at America's youth. Mr. Brodsky joined the Selective Service staff in June 1986.

Just before his assignment to Selective Service, he was the Director of Public Affairs for the U.S. Army Reserve, a civilian position at the Pentagon he occupied for more than six years. There, he supervised the planning and execution of an Army Reserve national awareness publicity program, which included production of radio/TV materials, films, speakers' kits, publicity packages, exhibits and media tours; all designed to enhance public awareness and understanding of the USAR. He was also editor-in-chief of *Army Reserve Magazine*, the largest circulation, official military publication in the country.

His work for the Army earned him two "Silver Anvil" trophies from the Public Relations Society of America. He also is a board member of the National Association of Government Communicators and was coordinator for that organization's prestigious "Gold Screen Awards Competition" in 1987 and 1988.

Earlier in his federal career, Mr. Brodsky was the Information Director in Washington for three U.S. Department of Agriculture agencies: Agricultural Marketing Service, Federal Grain Inspection Service, and Office of Transportation.

He also serves as an Army Reserve officer. For over 17 years, he has had numerous public affairs assignments, practicing military journalism and media relations on tours of duty throughout the U.S., the Netherlands, Federal Republic of Germany and South Korea.

Before moving to Washington in 1972, Mr. Brodsky, who is a native New Yorker, served as a faculty member of the Television Center, City University of New York, where he hosted, produced and directed several documentary programs aired on New York public television stations. He also spent two seasons as a production and editorial assistant with the News Department of the ABC TV Network, contributing to national television pool coverage of Gemini Space Flights 10 and 11, and the 1967 summit conference between President Johnson and Premier Kosygin in Glassboro, New Jersey.

Mr. Brodsky's undergraduate degree in Speech Arts is from Hofstra University, Hempstead, New York. He also earned a Master of Science Degree in broadcasting from City University of New York.

He lives in Springfield, Virginia with his wife, two children and assorted pets.

*January 1990*

# D. FREIDA BROCKINGTON

## MANAGER, REGISTRATION DIVISION

**The Selective Service System**

Mrs. Brockington is responsible for the planning, directing, and implementation of the Agency's nationwide registration and registration compliance programs. This includes monitoring the registration improvement programs, registration statistical reporting and the management of a $2.8 million budget used to effectively administer the registration of young men with the Selective Service System.

Prior to becoming the Registration Division Manager, Mrs. Brockington served as the Manager of the Administrative Support Branch of the Information Management Directorate, and was directly responsible for the minicomputer operation that provided ADP support for the Agency's six Regional offices. She was also responsible for the management of the automated systems supporting the Agency's personnel, payroll, finance, procurement, mobilization, budget and internal management operations. In addition, she managed the automated personnel systems used in the administration of personnel records for the Reserve Force Officers and the Uncompensated Personnel within the Agency. Mrs. Brockington pioneered the establishment and implementation of the Agency's first Microcomputer Users Group and Newsletter in January 1987.

Prior to joining Selective Service in September 1984, Mrs. Brockington served as Chief of the Management Systems Section, U.S. Army Military Personnel Center. Mrs. Brockington was responsible for the automated systems used to manage and control the internal operation of the Army's largest data processing center.

Mrs. Brockington has over twenty years in the Federal government, fifteen of those years were with the Department of Defense. During her tenure as a Federal employee, she has received numerous awards and citations for her outstanding performance.

Mrs. Brockington holds a degree in Computer Science and is a graduate of the Department of Army's Personnel Management for Executives Program.

## STATEMENT SUMMARY

Mr. **LESSEY**. I will summarize it briefly, to say that the first part really summarizes the enhanced role of the Selective Service System in this changing environment where our Nation will be dependent upon its mobilization capability rather than larger active duty forces.

The middle part of the statement pretty much sums up the year and indicates that, while we are struggling to find ways to absorb the increased costs which are thrust upon us from the outside, we are squeaking by.

We found some initiatives which would enable us to do that. How much longer we can do that, I am not sure. But we are getting along for now.

### 50TH ANNIVERSARY OF THE SELECTIVE SERVICE ACT

The end of the statement calls your attention to the fact that this year is a big year in the history of the Selective Service System. Come September, we will be celebrating the 50th anniversary of the Act which was passed back in 1940.

I might add that I mention this today because presumably we wouldn't see you folks again until next winter. In connection with that anniversary, we are planning some special programs.

Just by sheer coincidence, the first one happens to result from the visit I received from your adjutant general, Major General Bud Stroud, during the Mardi Gras, who came by the office and received our briefing and asked us to participate in the 50th anniversary of the Louisiana maneuvers which they are going to celebrate this coming October, complete with the broom sticks instead of rifles.

We are delighted to be invited to participate, and that will be one of the things we shall do.

The other thing I would mention is the help we received from you in terms of publishing only one annual report instead of two semi-annual reports each year. The report will be ready very shortly, and I encourage the committee to digest it. We are pretty proud of it; it goes into considerable detail about our activities, especially from a financial point of view.

And then one other item, we were honored that Committeeman Representative Coughlin visited our headquarters last week and received our briefing, and we were especially delighted that, he took the time to walk through the entire building and say hello to our employees and give them a pat on the back. They don't get a lot of attention, so that was very much appreciated.

Mrs. **BOGGS**. Thank you very much. I am pleased to hear that Buddy Stroud, who is not only a splendid soldier, but such a good citizen, is planning the 50th anniversary,

I hope he won't be as authentic with the brooms as he was in January. We had the 175th anniversary of the Battle of New Orleans, and they had tents pitched using the same plan and so on. You know, we can brag all we want to about Andrew Jackson and his rag-tag groups when really what defeated the British was the weather.

And Buddy was so authentic, as were the Daughters of 1812, that we had the same kind of freezing, rainy, terrible weather. The troops, assembled from Canada and Massachusetts and all over the country, had to retreat and abandon the plan.

Mr. LESSEY. Must have had the same weatherman who handled Malta.

Mrs. BOGGS. That is right.

So I hope that Buddy won't be as authentic in his planning with you.

### CONTINUED REGISTRATION IN A CHANGING WORLD

In your statement and in the justifications on Page 3 and Page 12, you make a very persuasive argument that the Selective Service budget has not kept pace with inflation and that you have effectively reduced the activities associated with your most important mission, namely, registering young men.

We will come back to that in a minute. But it occurs to us that a lot has happened in the last six months. The world's a different place. It's not nearly as dangerous a place as it was when the Selective Service was in deep standby prior to 1979.

I think almost every reasonable person would agree with that statement. The question is, why should we continue the active registration process when world conditions have changed so significantly? Why don't we put this back into a deep standby and save $15 or $20 million?

Mr. LESSEY. One of the points I wish to make is that I think, in terms of any national strategy and any doctrine of warfare for any country from the beginning of time, whenever you are in a situation where you're drawing down your active forces, then it's very important to enhance your mobilization capability.

### THE THIRD TIER OF DEFENSE

And in the same way, we hear talk today of more use of the Guard and the Reserves, the Selective Service System, the third tier of defense, will play a more significant role.

It's your insurance policy, if you will. I think that's part of the answer to your question. However, I might take a moment to explain the intricacy of the Selective Service System as a whole.

It's a fragile sort of an organization. I think it's not something that you operate like a light switch, turning it off and on. It has been a long, slow struggle getting us out of the deep standby.

I would stress, for instance, the existence of the 11,157 unpaid, but trained, volunteers. I would submit we probably have the best educated Selective Service System and board members in the history of the Agency. That has been a long, hard struggle. It isn't something that immediately appeared when we turned the switch to restart registration in 1980.

### FAIRNESS AND EQUITY ISSUES

The continued viability of this Agency also enhances the fairness and the equity of the system. As you know, as a Nation, we were very concerned about some of the inequities that arose during the

Vietnam era. Legislation was passed to usher in reforms so that we no longer have the inequities such as some of the deferments.

I would submit that keeping the system in place greatly enhances the equity of the situation because people are already registered and we know where they are. They are in the data base; and, even though we have some nonregistrants, nevertheless we would never be able to turn the system off and turn it on again and not miss people and have it as equitable as it should be.

I guess what I am trying to say is that there is a wholeness of the system which includes an extremely valuable data base. It's a national asset. Those are some of the reasons I would give; and I will be glad to submit more for the record if you should wish.

Mrs. **Boggs**. To your knowledge, has the issue that has just been raised been addressed in any format in the White House, at DOD, or with the National Security Council. Has anyone looked at this question of putting Selective Service in deep standby mode?

Mr. **Lessey**. Basically the words which I have just expressed to you have been reviewed by the National Security Advisor.

Mrs. **Boggs**. Okay.

Mr. Green, would you like to ask any questions?

Mr. **Green**. I have no questions.

Mrs. **Boggs**. All right.

### COST SAVING INITIATIVES

On Page 3 of the justifications you indicate that Selective Service has been forced to curtail or eliminate several important activities.

You point out that you have not been able to fully fund the 48 drills during the last two years. You point out that public awareness activities, one of the most important functions of the Selective Service, have been reduced by 64 percent; that verification letters mailed to registrants have been reduced from two to one; that the fourth compliance letter has been eliminated; that the number of high school mailings has been reduced from two, or even three, to only one per year; that the agency's radio packages have been reduced to only one per year; that advertisements to daily and weekly newspapers and on billboards has basically been eliminated, and so on and so on.

The point here is that you are fast becoming like one or two other agencies we oversee, such as the Consumer Product Safety Commission. You are, in fact, becoming simply a spender of money rather than an agency that can effectively meet its objective.

Do you feel that way?

Mr. **Lessey**. I would love to object to the comparison, but our mission of mobilization readiness is certainly not one that produces revenue. Maybe I do not completely understand your question.

By the way, one thing I can mention is that we were able to produce one additional radio spot at the end of last year.

Mrs. **Boggs**. Good.

### COST REDUCTIONS AND MISSION ACCOMPLISHMENT

Mr. **Lessey**. As I said, maybe I didn't completely understand the question, Mrs. Boggs.

Mrs. **Boggs**. The question is that, as we——

Mr. **Green**. Maybe I can come in.

You are gradually being hollowed out, and the question is, at what point does the lack of resources cause the structure to lose effectiveness?

Mrs. **Boggs**. Of course.

Mr. **Lessey**. We've been able to hold the registration numbers. We haven't seen a decline there. Of course, as I may have pointed out before, they are sort of like the greased pole; they may slip back a little at some time.

One of the cost-saving initiatives which we have implemented is something that ends up as a win-win situation. The initiative that we undertook in order to save money without hurting our effectiveness was the reminder mail-back postcard program which I have testified about before.

Mrs. **Boggs**. Right.

Mr. **Lessey**. Two benefits have resulted from this program. One is that we have saved approximately $300,000 last year. The principal cost saving being that we don't have to pay six bits to the Post Office for each registration.

Another up side of it—and by the way, this is Mrs. Brockington's program—is that I think our on-time registration figures, which I know have been a concern to the committee, probably have increased five, six, or seven percentage points this year. We won't know the exact figures until the end of this month.

That is a substantial gain. Going back again to your question, if we can hold this amount which we requested for fiscal 1991 through the whole budget process, we can squeeze by.

Mrs. **Boggs**. I think that what we are really asking here, is if you had to cut back so much on your costs that you really were not able to perform the mission, and——

Mr. **Lessey**. Well, that is one example of saving money and improving our mission capability. Another example which will result in a cost saving this year was the realignment of the Guard officers. We are now in the process of realigning the Reserve officers.

I looked under the rug and found out that the grades of our Reservists were in many cases in excess of mobilization requirements. The alignment of the grade structure will result in a cost saving. And as far as we are concerned, we can reduce grades to a certain point without it impairing our mobilization readiness.

That is the one I wouldn't want to take much further, but at least we were able to make those strides.

### PERSONNEL RELATED SAVINGS

Mrs. **Boggs**. Of course as you have indicated, basically pay cost increases haven't been budgeted for, and on top of that, you have been hit with some Gramm-Rudman cuts.

It would seem that one obvious solution would be to cut back on personnel. For example, recently the Veterans Administration reduced the number of medical district offices to zero from 40 some, and the number of medical regional offices to only four from a previous total of ten. And that action saved millions of dollars.

However, you appear to be going in the opposite direction. Your FTE has actually increased from 1989 when it was 261 to 1991 when it's requested at 277.

The point is that what you have here is the superstructure of a battleship increasingly resting on the hull of a destroyer. What about that?

Mr. LESSEY. Well, first of all, the grade reduction is Reserve officers is exactly what you would be suggesting. That is an example of reducing a significant amount of personnel cost.

Second, when you mentioned the FTE earlier, I was a little bit confused, because our authorized FTE ceiling is 277. That has been stationary for the last several years.

I think the confusion in the figures arises from the fact that we have been unable to staff up to that ceiling. In order to save personnel costs, at one point, for instance, I had a hiring freeze. Also, of course, the lower number of funded FTEs results from the fact that there have been gaps and delays in hiring, either because we couldn't find qualified people to fill vacant positions or for some other reason we felt we could get along without a particular position for a while.

I am from New England and very much conscious of Yankee thrift; and I am searching to do things in that specific area. I don't know whether it shows up in the statement or in here, but we have eliminated most overtime. Also, we have reduced the use of temporary help at the Data Management Center.

And, of course, during all of this time, we have been tasked with extra responsibilities such as the development of the health care personnel delivery system for which you folks kindly were initially ready to give us an additional $360,000, but then that got lost in the process before it came out the other end.

## PERSONNEL COMPENSATION AND BENEFITS

Mrs. BOGGS. We were looking at the personnel summary on Page 23, and it indicates that the full-time equivalent employment is 261 in 1989, 267 in 1990, and 277 in 1991.

On Page 22, the justification displays the fact that total personnel compensation increased from $14,375,000 in the original 1990 budget to $14,660,000.

Do we understand that this is largely because of the fact that you had not budgeted in 1990 for the full pay cost?

Mr. BANISTER. That is correct, Madam Chairman.

Mrs. BOGGS. Why did personnel benefits jump from your estimate of $1,429,000 to $1,570,000, an increase of $150,000 or more than 10 percent above the original request?

Mr. BANISTER. Mrs. Boggs, that is largely because of the increased cost of health benefits, as well as the increased cost of the new Federal employees retirement plan.

There is not a lot of historical data upon which to estimate the cost of the new retirement plan. We will be better able to forecast these costs when we have a larger percentage of those covered employees in our work force. Those are the reasons our benefits cost are growing faster than anticipated.

Mrs. **Boggs**. Now, with pay costs going up by three or four hundred thousand dollars, plus the fact that you have had to eat a $400,000 reduction taken across the board in our appropriation bill, that adds up to a shortfall of roughly $800,000 plus.

### REDUCED OTHER SERVICES ESTIMATE

I note that object class 25, Other Services, was decreased from the original estimate of $5,325,000 to $4,531,000; and that is a decrease of just about $800,000. Is that the offset?

Mr. **Banister**. Mrs. Boggs, a large part of that reduction from 1989 to 1990 was because of the reduction in the military pension accrual rates. It was approximately 25.4 percent of base pay for military personnel in 1989, and then it dropped to a little over 13 percent in 1990.

Mrs. **Boggs**. From the 1990 plan to the 1990 current estimate, it's line 25 on Page 22——

Mr. **Banister**. A large portion of that reduction was because of the reduction in payments to the Postal Service for registrations as a result of our implementation of the reminder mail-back program.

In other words, we save money by not paying to the Post Office the 77 cents per registration; we are in effect, paying the equivalent of about 21 cents less per registration by using the reminder mail-back cards. Also, I should point out that the current 1990 estimate does not include the $360,000 requested for the health care personnel system.

### REGISTRATION AND ADP SERVICES

Mrs. **Boggs**. I am not sure if you have answered our question exactly, but if you look on Page 4, clearly the biggest reduction from your original 1990 request and the current estimate occurred in registration, about $275,000, and in ADP Services, about $400,000. What do these cuts involve, and what did you actually eliminate?

Mr. **Banister**. In ADP Services, Madam Chairman, we included in the earlier estimate $360,000 for the ADP support for the health care personnel delivery system, which ultimately was not funded.

Mrs. **Boggs**. You're right. You did mention that.

Mr. **Banister**. In the registration program, the large reductions resulted from lower reimbursements to the Post Office.

### ORGANIZATIONAL STRUCTURE

Mrs. **Boggs**. Let us make a couple of suggestions to you. Under your organizational chart, we notice that you have an assistant director for congressional and intergovernmental affairs, and an assistant director for public affairs.

A number of agencies your size have those positions combined as one; but perhaps more importantly, on the next page, you displayed the various regions totaling six. How many staff could you save if you compressed that to three regions?

I would assume that the regional director and his deputy, and perhaps one or two others in each region at least, could be saved. Is that true?

Mr. **Lessey**. Probably not. However, that is a subject which was looked at before I arrived at Selective Service, and which I have looked at it since I have been there. You might say it's on my list of things to look at periodically.

So far the analyses which have been given to me have not convinced me that there is a tremendous amount of saving there. But I am using as a benchmark my concern about span of control, and at this point, I am not ready to give up that span of control for what could turn out to be minimum savings.

But it's something that we look at from time to time.

Mrs. **Boggs**. Does the use of such highly qualified volunteers keep you feeling that way—that you have to have that large span of control?

Mr. **Lessey**. Well, my mission is to produce the manpower for the Defense Department, and my requirement is to be able to mobilize my system within 72 hours, which I am capable of doing.

And, as I mentioned earlier, it's sort of a team effort. There is the region headquarters staff who manage the reserve force officers in the field. They are responsible for the opening up of the state headquarters within their jurisdiction. I need people out there who can respond to me immediately. As I sometimes say, people who I can hire, fire, or court-martial on the spot, so to speak. But, we have to look at everything these days, and that's one that is on the list.

Mrs. **Boggs**. The VA has cut from 10 regions to four, and the original question that started this discussion was are we just paying people and cutting back on services?

Mr. **Lessey**. Cutting what?

Mrs. **Boggs**. Back on service.

Mr. **Lessey**. I don't see a correlation between our work and what the VA is doing, Mrs. Boggs.

### INCREASED PAY COSTS AND THE 1991 BUDGET

Mrs. **Boggs**. What does your 1991 budget assume for pay costs?

Mr. **Banister**. It provides only for the annualization of the most recent 3.6 percent pay raise, which amounts to $142,000. However, we do not have any monies in there for the President's proposed pay raises next year.

Mrs. **Boggs**. Last year, the 1990 budget assumed no pay costs.

Mr. **Banister**. That is correct. That cost is $470,000 this year.

Mrs. **Boggs**. It's our understanding that the OMB 1991 allocation assumed at least a 50 percent allowance for pay costs.

Mr. **Banister**. I believe that is correct, but it did not come to pass for Selective Service.

Mrs. **Boggs**. Does your request assume 50 percent?

Mr. **Banister**. No, it does not. The only thing OMB permitted us to budget in 1991 was an annualization of this year's pay raise. In other words, one-quarter of the annual cost of this year's pay raises which went into effect on January 1. We were able to budget one-fourth of that cost but we lost three-fourths of that out of our base, which will have to be absorbed.

We absorbed all of the pay raises this year.

Mr. **Green**. And you are absorbing three-quarters, plus next year's pay raise?

Mr. **Banister**. That is correct. Sometimes I think that my job would be a lot easier if we didn't get a pay raise.

Mrs. **Boggs**. We have a communication from Mr. Darman to Chairman Whitten, Chairman of the Full Committee, on Federal pay raise estimates. It says, estimates for assumed pay raises for 1991 and beyond are included in the affected accounts rather than in the undistributed allowances as in the past. Distribution of the policy estimates paid to the account level is consistent with the treatment of pay under GRH base line estimating rules. That is where we got the 50 percent.

Mr. **Banister**. Madam Chairman, I believe that is an OMB estimate related to their forecast of the Federal deficit.

Selective Service was only permitted to budget for a small portion of the raise which we got this year.

Mrs. **Boggs**. Mr. Green?

### CONSCIENTIOUS OBJECTORS

Mr. **Green**. I would like to turn to the conscientious objector issue. My understanding is that the Senate in its report on the Appropriations bill last year requested that you report on how your definition of mental anguish fits with your perception of what the court ordered requirements are at this point.

Could you respond to us on that, and also give us your experience over the past year with the conscientious objectors status requirements?

Mr. **Lessey**. We would be delighted to submit that to the committee, Mr. Green. Let me say that I have completed the answer; it's signed. It's sitting on my desk. However, out of courtesy, I am scheduled for a meeting with Senator Hatfield, whom I believe originated this, before I send the letter to Senator Byrd.

Mr. **Green**. That will be fine.

Have you had any events this past year relating to conscientious objector issues?

Mr. **Lessey**. Yes. I have had some meetings with some groups, and I would like to send you the specifics on those if you would like.

The updating of the alternative service procedures continues in terms of the users guide and things of that nature. That pretty much would sum it up, but the dialogue continues.

Mr. **Green**. Thank you, Madam Chairman.

### TESTS FOR CONSCIENTIUS OBJECTOR STATUS

Mrs. **Boggs**. Of course, the House bill and the House report language also indicated that we felt that the tests that were being used didn't really comply with the *Clay* requirements.

The House, in both the report language and in the bill itself, asked the Selective Service to return to the *Clay* standard. The Senate included only report language.

But I assume that you have taken the report language to heart.

Mr. **Lessey**. Well, I have simply answered the Senate inquiry, and, of course, I never knew anything about the House. That was something that was in and out.

Mrs. **Boggs**. Thank you very much.

Mr. **Lessey**. I was not involved in that.

Mrs. **Boggs**. The problems seem to have been resolved; haven't they?

Mr. **Lessey**. I am not sure whether they are the same thing or not.

Mrs. **Boggs**. Yes. They are the same.

Mr. **Lessey**. All right. Frankly, the question as asked us by the Senate committee suggested that we were doing something which we aren't doing. It's been sort of a non-question, which has made it more difficult to respond to, which is one of the reasons I am having the meeting.

Mrs. **Boggs**. A proposed test was never imposed; is that right, and so there was no noncompliance with *Clay* v. *U.S.?*

Mr. **Lessey**. I am not sure that that's what I am saying, Mrs. Boggs. I guess what I am saying that it was suggested by the question that we were doing a certain thing, but we don't happen to be doing that thing.

Mrs. **Boggs**. Okay.

Mr. **Lessey**. And I would be delighted to follow up with you at some point.

Mrs. **Boggs**. Okay.

Last year Selective Service proposed using a test in which registrants had to describe the mental anguish that would result from their participating in war, and this did not conform to military case law and the standards used in *Clay* v. *U.S.*

In that case, the Court determined that the proper standard is one which focuses on the registrant's belief and sincerity. Both the House bill and the report language included a request that the SSS return to the *Clay* standard. The Senate included only the report language.

Mr. **Lessey**. So what I am suggesting is that we do not propose such a test, and we do not have such a test.

Mrs. **Boggs**. So it's a non-question.

Mr. **Lessey**. It's moot.

Thank you for your help.

Mrs. **Boggs**. Mr. Mollohan.

Mr. **Mollohan**. No questions.

### HEALTH CARE PERSONNEL DELIVERY SYSTEM

Mrs. **Boggs**. I would like to commend you very much for the development of the health care personnel delivery system. I know that you have had to make deep reductions in a number of important programs, but I do think that you are moving forward with the health care personnel delivery system. Under the circumstances, it's been especially commendable.

### REQUEST FOR NEW DATA ENTRY EQUIPMENT

On pages 16 to 18 of the justification, you discuss the agency's serious need to update equipment. Data entry equipment used by the agency is built on the technology of the late 1970s and is outdated, unreliable and no longer manufactured.

Down time is becoming more frequent, and the availability of spare parts is very limited. Quote, "Often, only used or salvaged parts are available, and there is growing concern over the availability of knowledgeable service technicians to repair the equipment."

As a result, $220,000 is being requested to purchase new data entry equipment. That certainly seems like a very valid request.

Mr. LESSEY. Two hundred twenty thousand, yes. We made a special plea to the Office of Management and Budget to have that included.

### RELOCATION OF SELECTIVE SERVICE

Mrs. BOGGS. And the telephone system, I understand, is having the same problem. The agency would like to replace it during the relocation of the agency in January 1991.

Mr. LESSEY. Well, if we do move, that would be necessary, yes.

Mrs. BOGGS. Also, if you do move, you could consolidate your computer center with the one that is——

Mr. LESSEY. Our main computer center is at the Data Management Center, which is at Great Lakes, Illinois.

The consolidation that we referred to would be with the systems development portion of IM, which is over at Alexandria, with our headquarters.

But we have spent money here on the local area network and the wide area network, so we are really moving forward in terms of integrating all of our information processes.

### OUTREACH PROGRAMS

Mrs. BOGGS. Last year we discussed agencies efforts to register hard to reach young men, particularly dropouts and inner-city youths. I was impressed with the outreach activities outlined in your justification on Page 112.

I was particularly interested in your efforts with the Federal Bureau of Prisons, the State Departments of Corrections, and the U.S. Courts Probation Division. How do you evaluate the success of these efforts?

Mr. LESSEY. I cannot give you too much in the way of hard data, although I could submit some additional information for the record. However, we are able to pretty much identify the number of registrations which have been garnered from some of these specific programs, such as the prison program.

Freida, do you want to comment on this?

Mrs. BROCKINGTON. No. I don't have the specifics with me.

Mr. LESSEY. We will submit something for the record on that.

[The information follows:]

### REGISTRATION OUTREACH PROGRAMS

The corrections initiatives with the Federal Bureau of Prisons and the Administrative Office of the U.S. Courts Probabtion Division are still in the development and implementation stages. However, similar programs are underway with nine State Departments of Correction, many of which were established during 1989. There have been more than 2,500 registrations received through the State programs. Participation in the corrections initiatives has been enthusiastic at both the Federal and State levels.

The cooperative registrations programs with both the Federal and State correctional institutions are designed, as a public service, to offer men of registration age re-entering the mainstream of society the opportunity to register, as required by the Military Selective Service Act. They also facilitate the educational or job training benefit application process and ensure that a probationer or parolee is not penalized by denial of benefits because of failure to register.

In our efforts to reach and register high school dropouts, the Job Corps Registration Program was established in 1989 and was successful in registering over 5,700 young men as of the end of that year. Additionally, other outreach efforts focusing on hard-to-reach individuals include programs with the Immigration and Naturalization Service, Office of Personnel Management, Department of Education, and U.S. Postal Service. We have received over 600,000 registrations to date from these programs.

### OUTREACH IN NEW YORK CITY

Mr. LESSEY. We have had some bad luck regarding our outreach efforts in New York City, which is a difficult area. Unfortunately, Chancellor Green of the New York City Board of Education suffered a heart attack and passed away.

We will now renew that effort with Mr. Fernandez, who has taken the post, but we will give him a little time to settle in and learn the job.

### JOB CORPS AND JTPA REGISTRATION PROGRAMS

Mrs. BOGGS. Have the JTPA and Job Corps cooperative programs proved successful in reaching young men who have not yet registered?

Mr. LESSEY. Yes. The Job Corps program has proved to be very, very successful. We are working now on permitting somebody who enrolls in the program to check off a box and become automatically registered.

One of the reasons for the large increases in our telephone calls into the Data Management Center, I think I made the point that we are really now in the constituent service, has been the phone calls from the Job Training Partnership Act registrants who are verifying registrations.

Mrs. BOGGS. Does she want to brag about it a little bit?

Mrs. BROCKINGTON. As for the Job Corps program, we are currently working with the Department of Labor in an effort to modify the application so that at the time of application into the Job Corps program, the individual would be registered automatically with Selective Service. This program would parallel the program which we currently have with the Department of Education, which has been extremely successful. We have received over 200,000 registrations through that program, and it really serves as a convenience to the registrant because registration is required in order to be eligible for the program. The program also assists the registrant in fulfilling his obligation to register.

Mrs. BOGGS. Registration really protects the young men and qualifies them for a lot of government programs that they would be excluded from otherwise.

Ms. BROCKINGTON. Yes. Exactly.

Mr. LESSEY. We have a check-off, and that can reduce the number of our telephone calls, which is getting to be a big business.

### STATUS OF HEALTH CARE PERSONNEL DELIVERY SYSTEM

Mrs. BOGGS. Great progress has obviously been made in the development of the health care personnel delivery system. The notice in the Federal Register on August 15th outlined the program and its procedures and requested comments by September 29. What is the current status of the review of those comments?

Mr. LESSEY. We received very few comments. They have all been reviewed and looked at by the health care personnel delivery team. I think the important part of that program was to get the plan published where everybody could look at it and have a chance to comment.

But I think the important thing that we did was to involve the various medical associations, such as the American Nurses Association and the American Medical Association. All those groups were invited to the headquarters to receive the briefing and to make their comments.

So everyone who is involved had an opportunity to participate and make some contributions. And it was generally very well received.

Of course, it's a non-issue unless Congress at some future date decides to require the registration of health care personnel. There is nothing for anyone to be concerned about at this time.

Mrs. BOGGS. You know I have to ask this. In reviewing the Federal Register notice, I note that you provided for the possible inclusion of women in the registration program. While there would obviously be a number of young mothers who would request hardship deferment, I believe that there are also many young women who would be honored to serve their country in this way. Do you have any feelings about that?

Mr. LESSEY. Yes. That is definitely one of the special issues which we have included in our briefing on health care personnel. The simple fact is, as you well know yourself, that in today's world a third of the students in medical school are women; 95 percent of the nurses are women; 83 percent of all the health care personnel in the country are women.

So, unless the Defense Department unexpectedly had very modest requirements, we basically could not meet their mobilization requirements without including women.

Overall, the good news, which I guess I have mentioned before, is that the requirements could be met with only approximately 2 percent of the health care personnel in the United States. The bad news is that there would be about five specialties, such as thoracic surgeons and anesthesiologists, in which upwards of eight percent of the licensed practicing specialty would be required.

Mrs. BOGGS. Okay.

Mr. Chapman, do you have questions?

## PUBLIC AWARENESS ACTIVITIES

Mr. CHAPMAN. Thank you, Madam Chairman.

Let me ask for a bit of a thumbnail summary of the budget request this year and how aggressive it will allow you to be in the public awareness area?

I know that a lot of the initiatives that we talked about last year ran into some resource problems in implementation?

Mr. LESSEY. Well, this is an area where we have gone from over $800,000 to approximately $300,000. We are now down to one television commercial, one radio spot, although we squeezed an extra one in last year, and one high school kit.

We have made some economies, even in the making of one television commercial. I am proud to say that I just happened to see a statistic the other day that the average cost of——

Mr. **Brodsky**. A national TV spot for production only is about $176,000.

Mr. **Lessey**. And Lewis Brodsky did ours for——

Mr. **Brodsky**. Well, we did production for about $70,000 last year, going to an animation concept and severely restricting the degree of intricacy of in that spot. That had to be done in terms of production. Distribution cost was an additional $20,000 over that, but we were well below the average national cost of Public Television Service.

Mr. **Lessey**. Mr. Chapman, Mr. Brodsky is the Assistant Director for Public Affairs, and he's the one who, of course, around our staff table who does all the griping about his reduced budget. Because he's here today, maybe we could turn him loose and give a more detailed answer to your question.

### IMPACT OF PUBLIC AWARENESS PROGRAM ON REGISTRATION

Mr. **Chapman**. Well, in the context as well of the goal of public awareness, perhaps putting in context, the budget you have compared with the success you're having in registration efforts, we shouldn't spend money if it's not necessary for compliance, but only to the extent that that is a problem. How do you respond to that?

Mr. **Brodsky**. Well, you wouldn't see immediate effect on the registration statistics with an abrupt change in a public awareness program. Generally you will see an effect long term, because we have built up over the past years, the years since 1980, a good deal of institutional awareness out there among our target audiences. And when we are able to do TV and radio, even at the reduced levels, we are doing it to maintain a degree of awareness.

At focus groups that we conduct, and we do go out and visit two or three cities per year, we bring in young men and their influencers, mainly their parents, their coaches, and their teachers. We have detected that there is quite a bit of awareness out there of the registration requirement.

Much of it is due to TV and radio that they have seen. A lot of it is due to the compliance letters that they receive, of course, and word of mouth and other things like that.

But it's not an issue that you can afford to relax on. You have got to maintain a constant presence out there to keep up the awareness and to keep the registration rates high.

We have been fortunate in that, although there has been a reduction in production costs and a reduction in the amount of materials going out there, we have worked a lot harder to improve the method of distribution. We have won Advertising Council endorsement, for example, for our public service materials for the past two years. That has, we believe, increased the acceptability of our materials among broadcasters and thereby increased our play rates.

We are undertaking theater initiatives which we have never done before to try to reach the 18-year-old man in the place where he most frequently visits, perhaps during the summertime. So those kinds of things are kind of innovative public affairs approaches. Whereas we used to shotgun a lot of materials before, we are being very selective in what we produce now and we are making the dollars work a lot harder.

### MOVIE THEATER INITIATIVE

Mr. CHAPMAN. Are you getting good feedback on the movie theater initiative? Is it generally well accepted?

Mr. BRODSKY. It's still a little bit early. We are getting good feedback from the independent outlets. We are running into problems with the large chains where they have specific policies about advertising in their theaters.

For example, AMC theaters will only accept advertising in the form of slides from its wholly owned subsidiary which deals in that, so we are negotiating with that subsidiary to win public service placement through them.

It's a complex process. It's still early in that process, but we expect to have a good deal of success.

Mr. LESSEY. You may have noticed in the press the other day that Disney is not going to allow commercials in front of any of its features. We have checked, however, and that applies only to film or tape. It doesn't apply to the slides, and a lot of our effort is with the slides.

### PUBLIC AWARENESS AT THE HIGH SCHOOLS

I would stress that we get a lot of public affairs work from our reserve force officers which is basically voluntary, above and beyond their normal role. Not to be underestimated is the high school kit which is produced by public affairs, because the high schools are our checkpoint, our gate.

That is why some of our other efforts have been devoted to trying to find dropout lists because just about every school in the country is visited by a reserve force officer and a high school kit is there. The guidance counselors, the principals, and the superintendents are aware of the requirement, and that is a very important checkpoint to us.

Mr. CHAPMAN. I believe that is all, Madam Chairman. Thank you.

Mrs. BOGGS. Mr. Atkins.

### COMPLIANCE PROGRAM

Mr. ATKINS. Thank you, Madam Chairman.

Can you tell me what your estimate of your compliance is presently for the target population that should be registered?

Mr. LESSEY. For the entire continuum, age 18 through 25, it's 96.2 percent, and for the draft eligible, which is ages 20 through 25, it's 99.2 percent.

Mr. ATKINS. And how much money will you be spending this year to increase the compliance and to purchase—do you have a program of purchasing, acquiring new lists to bring this up to a hundred percent?

Mr. **Lessey**. This year we plan to spend a total of $459,000 on the compliance program. Of that amount, approximately $60,000 will be spent on the purchase of lists.

Mr. **Atkins**. And what is your estimate, if you are able to get that appropriation, as to how many additional registrants you will bring into the system?

Mr. **Lessey**. We are not able to come up with a close direct correlation between those kind of numbers. This is pretty much a standard figure, which includes our postal, our printing, our tape matching, and purchasing our lists. I would have to say that we just about hold our own.

The one area where we have been making noticeable improvement is in the on-time registrations, which I mentioned earlier. That has resulted from the reminder mail-back postcard initiative. That, of course, has been a money saver.

### SOLOMON-THURMOND TYPES OF LEGISLATION

Mr. **Atkins**. You are looking for greater participation and legislative activities, particularly on the State level, that will enhance your compliance with so-called Solomon-type. There are what, 11 states that have adopted Solomon-type legislation.

Mr. **Lessey**. Well, it's more like 17 states which have adopted either Solomon or Thurmond type legislation.

Mr. **Atkins**. You are looking now to include that in employment, as well as student financial assistance?

Mr. **Lessey**. Well, let me say first of all that, under the principles of federalism, we do not have any campaign nor do we go out and interfere with the states' efforts in this area.

We are available for technical advice. However, we are delighted if any state comes up with a Solomon or Thurmond type provision because we think it's very equitable and it does help our registration.

But we are not actively involved in what you might call a state campaign.

Mr. **Atkins**. Well, if a state has a Solomon or Thurmond type legislation on the books, absent your tape matching and other things that you do, what level of compliance do you get out of that?

Mr. **Lessey**. Well, I cannot give you any specific figure. That's going to vary from state to state, the size of the state, and the nature of the population within the group which is affected by that legislation.

We are basically interested in every initiative that we can find that would help us in any way; but we don't have the money or the capability of pinpointing direct correlations on a lot of these things.

### MARGINAL COST OF REGISTRATION COMPLIANCE

Mr. **Atkins**. It would seem that as you get to the present levels of compliance that the cost of increases above that level is rather significant. The question in my mind is whether the extra quarter of a percent that you may get is worth the cost.

Mr. LESSEY. Well, of course the example you cite wouldn't really be a sequitur in the sense that if, for instance, the Commonwealth of Massachusetts, which does have Solomon-Thurmond type legislation, passes it, it doesn't cost us any money; nor does it cost the Federal Government any money for them to pass that law.

Mr. ATKINS. What I was suggesting was actually the opposite, that if you get those kinds of laws and presuming that they have protection for people's individual rights and so forth, that the costs and the——

Mr. LESSEY. You are talking about diminishing returns.

Mr. ATKINS. That you get from buying new tapes and from your outreach, that you get substantial diminishing returns as you try to get one hundred percent.

Mr. LESSEY. Yes.

Mr. ATKINS. And my question is, at what point do you say we have substantial compliance, and it's not necessary to spend a lot of money and do a lot of things to get above that level?

Mr. LESSEY. Well, we aren't spending a lot of extra money. We don't have those resources. For example, the public affairs budget has declined from over $800,000 to, say, approximately $300,000.

So I guess part of my answer would be that we are at a level just about as low as we can get and just hold our own.

Earlier I used the greased pole analogy. You have to keep working the problem, otherwise you slip further back down the pole. To give you an example, the other day I talked with a man named Dean Mann, who is an educator in the schools of South Dakota. He happens to be our state director. Dean Mann, on his own, managed, for example, to get a Selective Service poster on every single bus in the City of Sioux Falls, and it didn't cost us a penny.

I cannot tell you how many new registrants we got as a result of that, but I can tell you it didn't cost us any money. It was a volunteer effort. We have a lot of initiatives of that kind, but they are not measurable.

Mr. ATKINS. Thank you.

Mrs. BOGGS. Mr. Green.

Mr. GREEN. No further questions.

Mrs. BOGGS. Does anybody else have any further questions?

## DEVELOPMENT OF THE HEALTH CARE PERSONNEL DELIVERY SYSTEM

Mr. LESSEY. I hope you are going to ask me one more question on health care because I haven't had a chance——

Mrs. BOGGS. Would you like to show us whatever you have on health care?

Mr. LESSEY. For any of you who may or may not be into computers, this is the flow chart for registration for the health care personnel delivery system. This is just the first flow chart. There are three others. This is the first module which the computer experts will be working with in terms of putting it all together.

We are into systems development. Sometime next year we will be finished and be able to test the program.

Thank you.

Mrs. BOGGS. What are these others?

Mr. LESSEY. Well, one is on maintenance. These are two other modules of the same program, one is for "maintenance" and one is for "letters."

The fourth one is still, what we say, "on the wall," where we put it up around the four sides of the room and work the problem, and make sure everybody in the organization is in the same mode.

Mrs. BOGGS. It is remarkable what you are able to do with the poor equipment you have.

Mr. LESSEY. We are proud to say we have managed to squeak by without budget money requested for that program.

Mrs. BOGGS. Is there any further statement you would like to make?

Mr. LESSEY. Just thank you very much for your time and attention, and courtesy. We are delighted to be here.

Mrs. BOGGS. Well, thank you very much.

## Questions for the Record Submitted by Congressman Jerry Lewis

### MOBILIZATION EXERCISES

*Question.* You mention in this year's budget justification the ongoing problem that you have experienced in five of the last six years. Unlike the Defense Department, your agency is not allowed to fully anticipate annual military pay and benefit increases in its annual budget plan. Instead you absorb them by reducing other functions such as drill pay and staff travel. Are you again this year anticipating that you will be conducting mobilization exercises in each of your over 400 area offices and various state headquarters?

Answer. Mobilization exercises are not scheduled to be conducted this fiscal year.

*Question.* In addition to combining board member site visits with these exercises as a management initiative to save funds, would it be worthwhile to cutback mobilization exercises to once every other year?

Answer. Mobilization exercises were originally planned for fiscal year 1990. However, in spite of management initiatives, such as those suggested, the exercises had to be cancelled this year because of insufficient funds. At this time, the mobilization exercises are scheduled for fiscal year 1991.

*Question.* What is the estimated annual cost of conducting mobilization exercises at each outlet in the Selective Service System?

Answer. The total annual cost of conducting these exercises at all of the 446 area offices is estimated to be approximately $125,000. However, because most of this amount is for travel of our Reservists, some portion of this expense would be incurred for other types of training whether or not exercises are conducted.

## Questions for the Record Submitted by Congressman Louis Stokes

### IMPACT OF TROOP WITHDRAWALS UPON MOBILIZATION READINESS AND COMPLIANCE

*Question.* In his State of the Union Address, President Bush proposed to withdraw approximately 80,000 troops for Europe. He also recommended that each superpower should be limited to 195,000 armed forces in the "Central Zone" of Europe (the two Germanies and most of Eastern Europe). How would withdrawal of troops affect the mobilization readiness and registration compliance efforts of your agency?

Answer. Troop withdrawal proposals in Europe have no effect on mobilization readiness and the registration compliance efforts of this Agency. The Department of Defense requirement to deliver registrants in a national emergency remains unchanged. In any draw down of active duty forces, the Nation's mobilization capability increases in importance.

### STATE LEGISLATION REQUIRING REGISTRATION

*Question.* It is my understanding that currently, several states have amendments pending to bar State financial aid to people who have not registered with SSS and are required by law to do so. I understand that the Washington State House of Representatives may, in fact, vote today on such a measure. How much of your budget is going toward efforts to lobby State legislatures?

Answer. Arizona, Arkansas, Delaware, Florida, Georgia, Illinois, Maine, Massachusetts, Mississippi, North Carolina, North Dakota, Ohio, and Oklahoma have all passed laws requiring compliance with the Military Selective Service Act in order to qualify for State financial aid. It is our understanding the States of Maryland, Washington, and Wisconsin are considering similar type legislation. However, the Selective Service System neither budgets nor expends funds to lobby State legislatures.

*Question.* Why is there a push for this type of State action when virtually all State aid is contingent on Federal Aid anyway?

Answer. To our knowledge no Federal registration requirement restrictions exist which would prevent or restrict a state's receipt and use of Federal funds. We can not answer why the states propose or pass legislation requiring registration with the Selective Service System in order to be eligible for state financial assistance. We only provide information and technical assistance related to such legislation when requested to do so by the states.

[The justifications follow:]

# SELECTIVE SERVICE SYSTEM

## BUDGET JUSTIFICATIONS
### FISCAL YEAR 1991

THE DIRECTOR OF SELECTIVE SERVICE
Washington, D.C. 20435

January 25, 1990

The Honorable Bob Traxler
Chairman, Subcommittee on VA, HUD and
Independent Agencies
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Transmitted herewith is the Selective Service System's fiscal year 1991 budget submission in the amount of $26,635,000. This level provides for inflation computed in accordance with OMB's economic assumptions and funds to purchase data entry hardware and software for the Data Management Center.

I look forward to meeting with your distinguished Subcommittee to discuss the programs of the Selective Service System and provide you with information on our budget requests.

Sincerely,

Samuel K. Lessey Jr.

Samuel K. Lessey Jr

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## PROGRAM AND PERFORMANCE

In FY 1991, the Selective Service System will continue to register men as they reach age 18, conduct a non-registrant identification program to insure compliance with the law, and maintain a data base of registrant records. The System will continue to strive to enhance its capability to respond rapidly and efficiently from its standby posture.

Mobilization readiness remains one of the System's major objectives. Activities in support of this objective include all facets of National and Regional operational planning, maintenance of automated registration information, a comprehensive training program for the Selective Service Reserve Forces, a training program for the standby board members, and administrative functions. The processing procedures of the Registrant Information Management System will continue to be tested and refined to insure that it can fully satisfy the emergency manpower needs of the Armed Forces.

Reserve and National Guard officers are trained for mobilization assignments in specific positions with the Selective Service System. Special focus of the program is on the exercise of the mobilization plans to ensure a high readiness capability in the event of mobilization.

The Military Selective Service Act, section 10(h), as amended by section 715, P.L. 100-180, approved December 4, 1987, requires the Selective Service System to develop a system for the delivery of health care personnel to the armed forces in a national emergency. The four-phase development of this system began in January 1988. Phase I, consisting of a needs analysis and plan of action; and Phase II, consisting of a concept of operations, a detailed study of the policies and procedures related to the induction of health care personnel, and the identification of the functional ADP requirements, have been completed. Phase III, consisting of the development of an ADP system, is expected to be completed in FY 1990. Phase IV, consisting of testing, evaluation, and program refinement, should be completed during FY 1991.

In FY 1991, registration improvement activities will include emphasis on urban areas where registration shortfalls are the greatest. Public awareness and enhanced compliance efforts, Federal and State legislation requiring registration for government employment, and student financial assistance all contribute toward improved compliance with the law.

## PROGRAM HIGHLIGHTS

Mobilization readiness and registration improvement continue to be the most important activities of the Selective Service System in FY 1990. As a result, overall mobilization readiness levels are generally high and will improve with the completion of the Health Care Personnel Delivery System. As of December 24, 1989, the registration rate for the draft eligible groups (i.e., year of birth groups 1964-1969) was 99.2 percent. Nearly 12 million men currently are registered in these age groups.

Mobilization readiness has been enhanced by annual mobilization exercises conducted by each of the 446 Area Offices and 56 State Headquarters. In FY 1989, each Area Office was activated along with at least one associated Local Board. This provided all members of the Area Office team an opportunity to participate simultaneously at the actual mobilization site. Exercises included the operation of the Area Office Terminal System at locations where personal computer equipment was available. In FY 1990, mobilization exercises will not be conducted at Area Offices and State Headquarters, but these exercises are planned for FY 1991.

The completion of the statutorily mandated Health Care Personnel Delivery System will improve one facet of the Agency's mobilization posture. The development of the system began in January 1988 when a needs analysis was conducted and a plan of action prepared. The implementing policies and procedures have now been developed along with the identification of the functional requirements necessary for the automated data processing system. This system will be completed in FY 1990. Evaluation and program refinement will be accomplished through a series of tests and exercises which should be completed sometime in FY 1991.

On-time registration of all eligible men within 30 days of their 18th birthday continues to be a primary goal of the Agency. Registration improvement efforts are targeted at 17-19 year old men to ensure that all men required to be registered are registered before the age of 20, the prime year of vulnerability to any future draft under present law. Some registration awareness activities are conducted at local, state, regional, and national levels. Radio and television public service announcements (PSAs) are hand delivered in major metropolitan areas. These high quality PSAs have been well received by radio and television station public service directors and have received high play rates around the country. It is hoped that the Agency will be able to continue to fund high quality PSAs. Over the past several years, many State governors and local officials have issued proclamations supporting registration and seventeen states have enacted "Solomon-type" and/or "Thurmond-type" legislation. In September 1988, Selective Service implemented a reminder mail-back card program. This reminder card has a detachable mail-back registration form attached. This program has proved to be very successful with a return rate of over 36 percent of all cards mailed. The annual mailing to young men on the Department of Defense (DOD) high school recruiting list also utilized the mail-back postcard format.

Although the completion of the Health Care Delivery System will improve one area of the Agency's mobilization capability, other mobilization areas suffer because of the lack of funding. From FY 1985 to FY 1990, the Agency has received appropriation reductions (related to the Gramm-Rudman-Hollings legislation or budget reconciliations) totalling almost $1.9 million. At the same time, costs have risen by over $3.5 million because of military and civilian pay raises, the application of FICA to reserve drill pay, the new Federal Employees Retirement System (FERS), employee health benefits, and inflation.

Between the years FY 1985 to FY 1990, Selective Service has absorbed over $2 million in increased pay costs related to civilian and military pay raises. The Agency is often treated as a non-defense Agency, although it is a "Defense - Related Activity" under the National Defense Budget (Function 050). A good portion of the Agency's payroll is for the compensation of military personnel, but in five of the past six years, the Agency has not been allowed to budget for military or civilian salary and benefit increases. At the same time it has had to accommodate pay increases and inflation with a shrinking budget, its tasks and responsibilities have increased. For example, Selective Service has been charged with the development of the Health Care Personnel Delivery System, and it must respond to increasing public demands for registration information because of Federal and State laws supporting registration.

To fund these new requirements and to meet rising costs with fewer resources, Selective Service has been forced to curtail or eliminate several important activities or initiatives. For example, Reserve Forces Officers (RFOs) Annual Training and related travel has been reduced from 15 to 13 days per year; the Agency has been unable to fund fully the 48 drills per year the past two years; board member and staff travel have been reduced over 30 percent; civilian awards and overtime have been reduced 72 percent; public awareness activities have been reduced 64 percent; and verification letters mailed to registrants have been reduced from two to one. The fourth compliance letter, ADP contractor support, and all Reserve Officer Special Tours have been eliminated entirely. All remaining discretionary resources have been reduced to a "bare-bones" level. In addition to the activities which have been curtailed or eliminated, the Agency is phasing in a corrective realignment of its military structure. Army National Guard RFO positions were evaluated during FY 1989 and aligned effective October 1, 1989, to meet mobilization requirements. The new alignment reduced authorized grade levels thereby reducing overall costs. The structure of the other Agency RFO positions is being evaluated, and these will be realigned beginning in FY 1990.

The reduction or elimination of these activities described above may become detrimental to the readiness posture of the Agency. The reduced number of annual training days allows less time for RFOs to prepare for mobilization assignments. The elimination of the fourth compliance letter and the reduction in public affairs and registration improvement activities may lead to a decrease in the overall registration compliance rates. The elimination of the second verification letter allows the data base to deteriorate much sooner. To date, Selective Service has been able to maintain a viable mobilization posture, but the prospect of continued dwindling resources in future years raises concerns that this Agency will be unable to fulfill its statutory mission because of a deterioration in mobilization readiness and registration compliance.

## SUMMARY OF PROGRAM COSTS
(in thousands of dollars)

| | FY 1989 Planned | FY 1989 Actual | FY 1990 Planned | FY 1990 Current Estimate | FY 1991 Estimate |
|---|---|---|---|---|---|
| Mobilization Readiness 1/ | 6,970 | 7,168 | 6,331 | 6,304 | 5,788 |
| Registration | 2,890 | 2,847 | 2,994 | 2,713 | 2,798 |
| Registration Improvement | 395 | 490 | 408 | 404 | 420 |
| Compliance | 435 | 429 | 451 | 459 | 478 |
| ADP | 1,785 | 1,957 | 2,208 | 1,827 | 2,115 |
| Administrative Expenses 2/ | 13,838 | 13,328 | 13,921 | 14,198 | 15,036 |
| Total | 26,313 | 26,219 | 26,313 | 25,905 | 26,635 |

1/ Includes Reserve Forces salaries and benefits.

2/ Includes civilian and active duty salaries and benefits, overhead, and all expenses not directly attributable to the other five programs.

## MOBILIZATION READINESS

The principal peacetime mission of the Selective Service System is to be prepared to provide manpower to the armed forces to ensure the nation's security. Should Congress by law authorize and the President direct a return to conscription because of a national emergency, Selective Service must provide the first registrants 13 days after notification by the Department of Defense (DoD). To do so, the Agency must be prepared to establish rapidly Selective Service offices across the nation, provide a fair and equitable claims adjudication process with employees conversant with the standards for each classification, and maintain an automated nationwide data processing system to issue orders and store records. Adequate personnel training and the development and maintenance of the automated systems are crucial to the ability of Selective Service to perform its mission.

**Registrant Information and Management System (RIMS).** RIMS is a registrant processing system which uses automated data processing technology to integrate the processing of registration, induction, and claims information while preserving the essential quality of individual claim consideration. Under this system, Selective Service can schedule and order registrants for induction on a national basis as early as three days following a mobilization. Using registration information in the data base and applying the results of a lottery to establish the sequence in which men are to be selected, information is prepared for use by Western Union to issue induction orders in the form of Mailgrams directing registrants to report to Military Entrance Processing Stations (MEPS). Travel warrants are included with the orders as a means of providing transportation to the MEPS. If a registrant files a claim for postponement or reclassification, his induction is delayed pending resolution of the claim. Each day the registrant data base is updated with claims information and with the results of the MEPS examination and induction processing. After the data base has been updated, a new induction cycle is established and new induction orders are produced.

Procedures and instructions for operating the registrant processing system are contained in the RIMS Manual, which has been reformatted in its entirety and distributed in early FY 1989. As further improvements and refinements to procedures and data systems are identified, changes to the manual will be prepared and published.

RIMS, as described above, is designed for an emergency mobilization when large numbers of men are required for the armed forces in a short time. After the initial surge, a system for steady-state processing will be implemented. Under this system, registrants will be examined at a MEPS several months in advance of their anticipated induction date. Registrants who are found qualified for military service will be given an opportunity to file a claim for deferment or exemption. Those who do not file or who do not qualify for such a claim will form the pool of those available for military service. These procedures will provide registrants greater certainty about the likelihood of being drafted and will also allow for a more orderly scheduling of registrants to the MEPS. The operational procedures and forms have been designed and the automated system is scheduled for completion in FY 1990.

**Alternative Service Program.** The Military Selective Service Act, recognizing and respecting the status of those registrants with conscientious objection to participation in military training and service, provides for non-military service in the national interest which will allow a young man to fulfill his obligation to his country in a manner consistent with his beliefs. The alternative service program will identify eligible employers, place conscientious objectors in appropriate jobs, monitor their performance, certify their satisfactory completion, and provide a structure of Civilian Review Boards to review job assignments when a conscientious objector alleges that his assignment violates his beliefs.

The automated system which monitors the processing status of conscientious objectors is known as the Alternative Service Program System (ASPS). System design and programming is complete, and refinements are being made to improve and streamline the procedures. An ASPS User's Guide is being developed to instruct personnel on how to operate the system and enter transactions relating to a conscientious objector's performance.

**Health Care Personnel Delivery System (HCPDS).** The Military Selective Service Act, section 10(h), as amended by section 715, P. L. 100-180, approved December 4, 1987, requires Selective Service to develop a system for the delivery of a wide variety of health care personnel to the armed forces in a national emergency. The system will integrate automated and manual components involving registration, selection and induction, claims and appeals, compliance, and alternative service.

The development of HCPDS has been divided into four phases. Phase I, begun in January 1988, consisted of a needs analysis and development of a plan of action. Phase II, which began in April 1988 and was recently completed, involved a detailed study of the registration, classification, examination, and delivery policies and procedures applicable to the induction processing of health care personnel, and the development of a concept of operations and the functional requirements for the ADP system. Although many policies and procedures employed successfully during the previous "Doctors' Draft" remain applicable to today's requirements and scenarios, a number of them no longer fit the nation's current needs because of the sheer magnitude and complexity of the predicted health care requirements upon mobilization. Categories of health care specialists needed by the Department of Defense have increased in number from seven basic groups of health professionals to over sixty individual specialty categories. They now range from individual physician specialties to enlisted technicians with specialized health care skills. The numbers needed have also increased significantly, from hundreds in the past to tens of thousands required now. Delivery requirements, once measured in months, will now be stated in days. Detailed policies and procedures needed to operate the system will be developed and will include preparing changes to necessary emergency standby legislation, as well as drafts of proposed regulations, proclamations, directives, procedural instructions for the operating manuals, forms, and reports.

A draft HCPDS operational concept was informally coordinated with staff representatives of concerned Senate and House members and committees, appropriate Federal agencies, interested health care associations, and several key military and civilian Department of Defense officials. The Agency has also briefed media representatives on HCPDS, and published the proposed operational concept in The Federal Register (54FR33644, August 15, 1989) to ensure widespread notice and provide opportunity for public comment.

Phase III development of the ADP system has begun. All systems development work, except technical documentation, will be accomplished with in-house resources during FY 1990. Technical documentation will require the use of knowledgeable, in-house staff and possibly contractor support. Evaluation and program refinement will be accomplished through a series of tests and exercises during Phase IV, which should be completed sometime in FY 1991.

The Selective Service System has made significant strides in meeting the Congressional mandate to develop a viable standby system. The concept thus far has met with substantial acceptance. This is indicative of broad agreement with the Congressional determination that such a standby system can provide medical readiness for the Nation's Armed Forces. Implementation of any standby HCPDS provisions, however, would require Congressional action and Presidential approval.

**The Area Office Terminal System (AOTS)** is the automated system which will be used at the Area Offices to enter and transmit data to the Joint Computer Center (JCC) and receive reports reflecting the results of RIMS, ASPS, and HCPDS processing. Each day Selective Service personnel will enter registrant processing transactions into a personal computer using AOTS software and transmit the data after working hours via telephone lines to the JCC, where the respective data bases are updated to reflect the status of registrants as they move through the induction, claims and appeals, or alternative service processes. When the updating is complete, AOTS transmits reports back to the Area Offices via telecommunications lines for printing at the local level. The AOTS User's Guide covering the RIMS portion of the system was completed and distributed late in 1988. A user acceptance test was performed in December 1989 as a component of the Proud Eagle mobilization exercise. The tests demonstrated the overall effectiveness of the system and revealed some minor system problems.

**Board Member Training**. The Agency's 11,160 citizen volunteers serve as members of Selective Service Local, District Appeal, and Civilian Review Boards. Local Boards and District Appeal Boards are the heart of the claims and appeals process for registrants. During periods of induction, the board members will adjudicate registrant claims for conscientious objection, hardship, ministerial student and minister status, and review cases of registrants who are denied their requested administrative classification by Area Office personnel. Civilian Review Boards review registrants' objections to their alternative service assignments on grounds of conscience. The members participate in a peacetime training program designed to ensure fairness and uniformity in their decisions. The training consists of two phases: an initial training seminar providing the board members with basic instruction in board duties and functions, followed by advanced continuation training consisting of case files and role play which simulate actual registrant processing cases. The continuation training sessions are normally conducted with the board members meeting as a group, but individual self-study may also be used. During the past few years, travel and transportation expenses have risen dramatically, making it increasingly more difficult to provide adequate training to the board members.

**The Reserve Forces Officers (RFOs).** The only source of additional pre-trained professional level personnel available to supplement Selective Service's small civilian staff in a mobilization is a cadre of National Guard and Reserve Officers. The task to be performed by this small group of RFOs is enormous: to expand Selective Service from 9 operating sites to more than 550; to hire and train approximately 4,000 new employees in System operations; to receive and process registrant claims beginning 3 days after mobilization; in short, to transform a standby organization into one that is fully operational almost overnight. These activities require our officers to be thoroughly familiar not only with registrant processing procedures but also with administrative support procedures for purchasing and contracting, budgeting and financial management, property acquisition and accountability, and personnel hiring and training.

To ensure an operational field structure upon mobilization, detailed plans and an automated system to maintain them were developed. Each State Headquarters has a small contingent of officers assigned for mobilization. RFOs are responsible for the establishment of Area Offices as well as a liaison office at each MEPS. Management and oversight of Area Office and Local Board operations is conducted from the State Headquarters, which is also the resource center for RFOs who have either administrative problems in opening an Area Office or operational problems in the processing of registrant claims.

Because a critical element in the expansion of the System in mobilization is the rapid establishment of Area Offices, a Memorandum of Understanding between Selective Service and the Department of Defense provides for the transfer of space, furniture, and equipment from specific recruiting sites to Area Offices on M-Day. The Army National Guard provides Selective Service with 1,500 Recruiter Augmentees on temporary detail in order to guarantee an immediate staff on hand in a mobilization. Those RFOs who are assigned to Area Offices upon mobilization generally visit their designated sites on an annual basis and provide two days of training to the Recruiter Augmentees annually.

The RFOs also perform a valuable role in ongoing activities in addition to their responsibilities in a mobilization. Their skills are used extensively in registration improvement programs and in the recruitment and training of board members. Such activities, which are made possible because the RFOs are located throughout the nation, is an effective way of supplementing the small peacetime civilian staff as well as providing on-the-job training to improve the skills the RFOs would need in the event of a mobilization.

Each year the RFOs train during 48 Unit Training Assemblies (drills) and two weeks of Annual Training. Mobilization training consists of registrant processing, Area Office management, and computer interface. The operational functions associated with registrant claims, appeals, and induction processing require a working knowledge of Selective Service regulations, the RIMS Manual, and the Area Office Terminal System. Administrative support training ensures that the RFOs will be able to establish the 446 Area Offices and 56 State

Headquarters, to augment National and Regional staffs, to perform liaison duties at 70 MEPS locations, to hire and train new personnel, and to acquire the necessary equipment to operate the offices.

In FY 1989, Selective Service was forced to eliminate regionwide Annual Training conferences because of budget constraints. These five day conferences are a valuable part of the overall RFO training program. This forum provides a uniform, nationwide structure in which to train the Reserve Forces Officers by National and Region Headquarters personnel serving as instructors. These training sessions are an essential tool to review the training received throughout the year and explain any changes made to the operational or administrative procedures and policies of the Agency. Hands-on experience is provided in operating the Area Office Terminal System, a vital function of the Area Office in a mobilization. It also provides the opportunity for group discussions and workshops which stimulate the development of new ideas or approaches which may improve current methods of operation. If these conferences are not reinstated in the near future, the mobilization readiness level of our Reserve Forces Officers will begin to deteriorate.

**Mobilization Exercises**. In order to evaluate the plans and procedures for establishing a field structure and processing registrants, Selective Service mobilization exercises were conducted by each of the Area Offices and State Headquarters. Through these exercises, board members, Reserve Forces Officers, and Army National Guard Recruiter Augmentees receive first-hand experience in their assigned duties at their actual mobilization duty stations. Area Office Managers conduct board meetings and provide guidance to Recruiter Augmentees in proper office procedures. Board members test their skills in determining registrant claims. Both Recruiter Augmentees and Reserve Forces Officers participate in role play as registrants or witnesses at the board meeting. In this way the exercises provide an opportunity for all members of the Area Office team to participate simultaneously in a realistic environment.

Mobilization exercises at each of the Area Offices and State Headquarters are planned in FY 1991, with the incorporation of AOTS input at locations where personal computer equipment is available. This planned addition to the exercise will test AOTS and its User's Guide as well as RIMS processing of claims and appeals, in addition to the expertise of the personnel using the system. In order to keep costs to a minimum, Reserve Forces Officer and board member training and site visits will be combined with the exercises.

## REGISTRATION

The need for Selective Service registration is a major commitment which is supported and accepted by the American people as a vital part of our national preparedness. This program ensures that the Agency can meet Department of Defense (DOD) manpower requirements if Congress should authorize and the President direct inductions in a national emergency. Without a successful registration program in peacetime, Selective Service could not meet its statutory responsibility to provide manpower to the Armed Forces in a manner which is both timely and fair.

Since the resumption of registration in 1980, maintaining an effective, timely registration program for all young men has been a major focus of attention for the Selective Service System. As of December 24, 1989, 96.3 percent of eligible young men were registered. This represents nearly 15 million men ages 18 through 25 (year-of-birth groups 1964-1971).

The principal registration sites continue to be the 34,000 United States Post Offices in communities across the nation. Young men who are out of the country when they reach registration age may register at one of 238 American Consular Offices abroad. Every effort has been made to keep the registration process simple and brief.

When a young man presents himself for registration, he completes a short form, signs and returns it to the registrar (a postal employee, State Department representative or other designated person) who checks the registrant's identification, and stamps, initials, and dates the form. Completed registration forms are mailed from the registration sites to the Selective Service Data Management Center (DMC) where they are reviewed and keyed into the data base. When the registration information has been entered into the automated Registrant Information and Management System (RIMS), a registration acknowledgment card is prepared and mailed to the registrant. Selective Service issues acknowledgment cards to new registrants between 4 and 6 weeks after their registration. Providing acknowledgment cards promptly is important because of the widespread requirement for proof of registration in connection with job applications, Federal student loans, and job training programs.

In addition to registration forms, post offices and diplomatic posts provide an information brochure to advise the registrant of his rights and to answer the questions asked most frequently about registration and national preparedness. The brochure also suggests that the registrant contact Selective Service for further information if he so desires. The Registration Information Office at the DMC provides information to persons who call or write. A more detailed information booklet is available upon request from the Consumer Information Center in Pueblo, Colorado. The Registration Information Office responded to more than 523,000 calls in FY 1989.

## REGISTRATION IMPROVEMENT

In order to ensure a continued high level of compliance with the registration requirement, Selective Service maintains a registration improvement program. This program, which encompasses a variety of activities at all levels, has had a positive impact on registration levels since the revitalization of Selective Service and the resumption of registration in 1980. Unfortunately, these activities have been greatly reduced in recent years due to budget reductions.

Some registration improvement activities are nationwide in scope; others are tailored to a specific area of the country to address registration problems in that locale. Cooperation between National Headquarters, Region Headquarters, State Directors, and Reserve Forces Officers is an integral part of such programs. For example, radio, television, and newspaper public service announcements are designed and produced at the National Headquarters level with personal contact supplied by RFOs at the local level. High schools receive information packets each year; RFOs may follow up with speeches or group presentations to reinforce the registration message. A program of personal contact with post offices is designed to resolve registration related problems and ensure the availability of registration materials.

Special projects are designed for specific areas where nonregistrants are concentrated, particularly in certain urban areas. Some of these projects, such as on-the-spot registration or including Selective Service information in school curricula, are conducted in the high schools and build on the information distributed nationally. Others focus on audiences outside the high schools, making use of billboards, utility bills with registration information, announcements at major sporting events, information booths at State or local fairs, and programs aimed at various ethnic groups.

A number of registration improvement activities are conducted in conjunction with Federal and State government agencies. A joint program with the Department of Labor allows Job Training Partnership Act (JTPA) administrators to register JTPA applicants prior to enrollment. A similar program has been implemented with the Department of Labor Job Corps Program. A number of registrar programs are underway with State Departments of Correction to offer registration to men as they are released from State correctional institutions. A similar registrar program has been approved with the Federal Bureau of Prisons and efforts are underway to develop a registrar program with the Administrative Office of the U.S. Courts Probation Division in order that men being supervised on probation or parole may be offered the opportunity to register. Selective Service makes use of Department of Defense records to register men automatically as they enter or leave military service. In addition, any State interested in implementing its own laws related to registration may obtain informational materials from Selective Service.

A new direct mail program that was successfully tested during FY 1988 was implemented as an on-going Agency program in FY 1989. This awareness effort provides young men with a convenient opportunity to fulfill their obligation to register with Selective Service. Registration reminder postcards are mailed to individuals identified from one of several list sources, including Department of Motor Vehicles records of the States, Department of Defense high school recruiting records, Immigration and Naturalization Service records, and Department of Education Pell Grant Applicant records. The cards include a detachable registration form that the individual may complete, sign, and mail back to Selective Service. As of December 1989, the Reminder Mail-back Program had generated over 834,000 registrations. This equates to a return rate of more than 36 percent of all cards mailed which is considered to be an outstanding response to any direct mail effort. The Reminder Mail-back Program has also had a significant influence on improving the on-time registration rate which currently stands at nearly 63 percent.

**Public Affairs**. One of the keys to a high compliance rate is a strong public awareness program. Selective Service is fortunate to have both. Despite a shrinking budget, the Office of Public Affairs still maintains a quality public awareness program backed up with quality materials. However, the scope of the program has, of necessity, been reduced over the past several years because of growing production and printing costs which are not subject to the Agency's control and, of course, reduced funding.

Reaching 18 year-old young men can be a formidable task, particularly when resources are limited. The Selective Service System is fortunate to have the support of radio and television public service directors, newspaper editors, and high school principals, teachers, and guidance counselors. They are invaluable in publicizing the registration message by placing and playing our materials where young men and their influencers will notice them.

Selective Service continues to emphasize personal contact with radio and television public service directors to help increase our share of available public service airtime. Television and radio spots are hand-delivered in major metropolitan areas where registration compliance is estimated to be low. This technique has paid off handsomely with playrates well above average.

High schools are an excellent place to reach young men before they turn 18. However, because of increased costs, the number of high school mailings has been reduced from two or three to one yearly.

Production costs for both television and radio continue to rise. Because of this the Agency's radio packages have been reduced to one per year. Radio stations generally use announcements for about three months before removing them from rotation. With a cut to one mailing a year, Selective Service spots will likely not be airing nine months out of the year. Serious thought will also be given to eliminating TV production if the Agency cannot continue to create a quality spot with the funds available.

Also suspended during the past several years is a print media campaign which includes ad slicks to daily and weekly newspapers, transit cards, and billboards. Selective Service had enjoyed a high usage rate of these materials in the past, but escalating production and printing costs, commensurate with a diminishing budget, have made them unaffordable.

The cornerstone of any successful public affairs program is production of materials for mass media based upon attention-getting, creative ideas. Any creative idea used must be relevant to a variety of target audiences, be proven effective by concept testing, and be able to compete for limited free time and space when delivered to media. Public awareness materials, especially broadcast materials, take a long time to conceive, script, test, market, produce, and distribute; therefore, it is essential to have adequate funding and to begin the process months before anticipated "air dates".

Budget reductions in recent years have hampered our ability to produce high quality, audience-tested public service announcements (PSAs). Fewer funds have reduced the Agency's ability to test new creative ideas. Past campaigns were test marketed in a half-dozen cities and then adjusted accordingly prior to production. Currently, new concepts are tested before small audiences in only one or two cities. In addition, cutting corners may limit creative options. With cost savings as a driving factor, Selective Service's promotional materials are now fewer in number and lower in quality than in past years. But, hopefully, they will be reasonably effective in communicating registration reminder messages to the target audiences.

## COMPLIANCE

Failure to register is not a victimless crime. Each man who does not register increases the draft vulnerability of those who do register. To ensure the highest degree of fairness to all young men, Selective Service designed a computer-based compliance program which identifies nonregistrants and reminds them of their obligation. With the support of State and local governments and other Federal agencies, compliance activities continue to have a significant and positive national impact.

Although the System obtains lists of potential nonregistrants from various organizations, the primary source of information is driver's license records. Almost every State and territory makes its lists available, which represent approximately 84 percent of the records identified for processing. High school student lists and county voter records are also used in areas which have atypical registration shortfalls. The Department of Education provides lists of applicants for Pell Grants to be matched against the registrant data base. Other sources of data used in the compliance program are the Social Security Administration, the Department of Defense, the Department of Transportation, the Immigration and Naturalization Service, the Office of Personnel Management, the Department of Health and Human Resources, and the United States Postal Service.

The lists of potential nonregistrants are matched by computer against the Selective Service registration file. The names of those already registered are dropped from the list. The remaining names are then matched with active-duty rolls of the armed forces (including the Coast Guard) to identify those who are not required to register. Those names remaining, after this second match, are sent a compliance letter which includes a registration form. If the man fails to register or to prove that he is exempt from the registration requirement after additional mailings, his name is referred to the Department of Justice for investigation and possible prosecution for violation of the Military Selective Service Act.

Computer matching programs are not the only activities performed in support of compliance. At both State and national levels, legislation has been passed which is designed to encourage registration compliance. The Solomon Amendment provides that a man of registration age must be in compliance with the Military Selective Service Act (MSSA) to be eligible for Federal student aid pursuant to Title IV of the Higher Education Act. The Thurmond Amendment requires compliance with the MSSA for employment in the Executive branch of the Federal government. Approximately one-third of the States have passed similar legislation affecting State employment and education programs. The United States Postal Service also requires that its applicants be in compliance with the registration requirement as a condition of employment. This requirement is expected to have a positive impact on registration compliance.

Successful operation of the compliance program requires the continuing acquisition of new lists, with regular monitoring, analyses, and refinement, and positive action by the Department of Justice in the investigation and prosecution of nonregistrants.

## AUTOMATED DATA PROCESSING

In the years since revitalization in 1980, automation has been a key factor contributing to the significant strides made in increasing personnel productivity. Through the use of advanced ADP technology, this Agency has attained the ability to meet Department of Defense untrained manpower needs in an emergency, while reducing operating expenses and providing Agency officials with timely data to assist in managing their administrative and operational activities.

Selective Service Automated Data Processing (ADP) facilities include the Data Management Center (DMC) and Joint Computer Center (JCC), both located in Illinois, and the Alexandria Computer Center (ACC) located in Alexandria, Virginia. The Data Management Center provides the data entry, error correction, printing, mailing, logistics, and computer operations support required to process continuous registration. The Joint Computer Center, established jointly by Selective Service and the United States Military Entrance Processing Command (USMEPCOM), handles the data processing requirements of continuous registration. Programmers and analysts responsible for developing new systems and maintaining existing systems are located at the Alexandria Computer Center, which also houses the computer used for in-house administrative applications. A telecommunications system connects all of these sites with the Regions and National Headquarters.

In addition to the facilities owned/operated by the Agency, several administrative functions are supported by other agencies' computer systems. The Department of the Interior provides payroll and personnel support through its PAY/PERS system. The Federal Emergency Management Agency provides accounting support through its automated Financial Accounting and Reporting System (FARS).

**Inductions, Claims, and Appeals Processing**. Inductions, claims, and appeals are a part of the Registrant Information Management System (RIMS) which supports the requirements of a full-scale military mobilization. If a decision were made to begin induction prior to a full-scale mobilization (i.e., a partial mobilization), certain changes to the current RIMS procedures would be required. Also, after a full mobilization the processing requirements are expected to change. Consequently, to provide for these possible eventualities, systems have been developed which support not only a full-scale mobilization, but also pre and post-mobilization scenarios. Computer programs to support changes to accommodate examinations for judgmental claims prior to local board review have now been completed. Modifications to provide for preinduction examination and classification were completed in July 1989.

The Area Office Terminal System (AOTS) software has been developed for both the mainframe and personal computers (PCs). This software provides the SSS field structure with data entry capability on the PC for daily transactions. The transactions file will be transmitted to the mainframe for daily processing against the file of inductees. Reports produced as a result of that processing will then be transmitted back to the field office. The software which provides the link between the mainframe and remote personal computers is in place. This system provides for the automated dialing of each location to capture and transmit information, and produce statistics on the data transmitted to/from each office. This is an automated process which would be initiated after close of business each day while the personal computer is unmanned. This system was implemented in FY 1989.

Personal computers, which are being acquired by the United States Army Recruiting Command (USAREC), will be used in the field locations in the event of mobilization and also facilitate pre-mobilization training.

**Alternative Service Program System (ASPS).** The Alternative Service Program System provides for the placement of conscientious objectors into appropriate civilian work in lieu of induction into military service. This will be accomplished by maintaining a data base of job openings which contribute to the national health, safety, or interest. After a conscientious objector is placed in a job, the system will monitor changes in his status to ensure that he is satisfactorily meeting the objectives of the program. A major conversion was completed in FY 1988 which utilized the latest state-of-the-art computer technology to provide input and front-end edits by personal computers from field locations. Additional improvements to this system were completed in FY 1989.

**Local Area Network.** The Agency uses an IBM mainframe computer located at Great Lakes, a PRIME minicomputer located in Alexandria (which was replaced in October 1989), a Wang minicomputer, and a Datapoint minicomputer both located at SSS Headquarters. Approximately 100 terminals require access to files and programs both locally and across Agency systems. To meet this need and to satisfy expanded mobilization requirements, a Local Area Network (LAN) is required at the Agency Headquarters. The facilities in Alexandria and the Data Management Center (DMC) have LANs; a bridge is needed at the DMC to provide compatible protocols for communication between the two existing LANs and the requested Headquarters' LAN. These LANs will be connected to provide high speed data transfer via digital high speed lines. The six Region Headquarters will then also be able to access the different computers and applications through the various networks as a wide area network.

**Replacement of Data Entry Hardware/Software.** Data Management Center data entry personnel currently utilize data entry equipment built on the technology of the late 1970's to enter all registration data for the Selective Service System. This equipment is outdated, unreliable, and no longer manufactured. It must be replaced to accommodate day-to-day processing requirements and to ensure mobilization readiness. The inability of Selective Service to replace this equipment has been identified by the Agency's internal control program as a potential material weakness. This situation was reported recently to the Office of Management and Budget as a part of the Director's assessment of the Agency's Federal Managers' Financial Integrity Act program. The provision of this assessment to OMB was in response to Mr. Frank Hodsoll's memorandum of August 1, 1989; subject: Government Management and Integrity.

Repairs and maintenance costs are substantial and equipment down time is becoming more frequent. During the last six months, there have been more than 35 service calls required for this equipment. The number of service calls alone, however, does not reveal the impact of an inoperative system during a registration run, or the lost production time spent in relocating idle operators.

Maintenance costs continue to increase each year. In addition, the availability of spare parts is extremely limited. Often, only used or salvaged parts are available, and there is growing concern over the availability of knowledgeable service technicians to repair the equipment.

In spite of efforts to reduce Federal spending, the Administration has recognized the urgent need to replace the outdated data entry equipment.

- $220,000 is required for the purchase of data entry hardware and software.

**Data Management Center Security Improvements**. The physical security of the Data Management Center is essential for mobilization readiness because it is the location where critical data is processed and records needed for induction processing are maintained. The DMC is responsible for issuing induction orders and processing records of claims and appeals in the event of a draft.

Recent audit findings have identified physical security problems and the vulnerability of this very essential operation. The physical security of the Data Management Center must be upgraded. In FY 1990, heat sensors/motion detectors, and peripheral lighting will be installed to provide minimum security of the building, together with an alerting device at the main guard post. Security of the loading dock will be improved by the placement of an observation camera, mount, panning attachment, zoom lens, switching station, ultra violet sensors, sensor-activated lighting, coaxial cable, monitor, and recording device. This will provide for daylight monitoring and a nighttime alert and monitoring system for the primary guard post.

## Administration

**Relocation of National Headquarters**. The leases on the properties which house the Agency's Headquarters and its computer center in Alexandria, Virginia both expire in January 1991. Under the provisions of the Competition in Contracting Act, these space needs must be competed in the open market. A relocation is an opportune time to advance the Agency's operational interests by consolidating the Alexandria staff with the Headquarters staff upon relocation.

With respect to a new location, new office space is unimproved. Therefore, some of this space will need to be built-out to accommodate the organizational structure and the functional and equipment needs of the Agency. These constitute "above standard alterations." Under GSA's space utilization regulations (41 CFR 101-17), the tenant agency must pay for all above standard alterations and telecommunications. Further, these regulations require that these costs be paid for in advance (i.e., they cannot be amortized over the terms of the lease). These alterations include such things as a conference room, a training room, the law library, and employee lunchroom.

Telephones now used at National Headquarters and Alexandria are mechanical 1A2 systems which were installed in the late 1970s. This equipment has outlived its projected useful life. A study was conducted in 1987 to evaluate the need for and cost of a new telephone system. It was determined that the existing system is obsolete and inefficient, and should be replaced. The study looked at a Private Branch Exchange (PBX) system, a single line CENTREX system, and an Electronic Key system. The study recommended that the current system be replaced with an Electronic Key system which will meet operational needs at costs lower than a PBX. A single line CENTREX system would be inadequate. Further, an Electronic Key system would result in a savings in line and maintenance costs over time. An Electronic Key system is available from MERLIN on the mandatory purchase of telephone and services contract.

Finally, according to the terms of the current contract with the lessor of the Alexandria Computer Center, the space now used as a computer room will have to be restored to its original condition when the premises are vacated. A false floor must be removed, the original flooring restored, and large air conditioners and air handlers will need to be removed.

## SELECTIVE SERVICE SYSTEM

### *Federal Funds*

**General and special funds:**

### SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and not to exceed $1,000 for official reception and representation expenses; [$26,313,000:] *$26,635,000: Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States: *Provided further*, That notwithstanding the provisions of 50 U.S.C. App. 460(g), none of the funds appropriated by this Act may be obligated [for] in connection with the preparation of more than one report each year to the Congress covering the operation of the Selective Service System. *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)*

## SELECTIVE SERVICE SYSTEM

## SALARIES AND EXPENSES

## PROGRAM AND FINANCING SCHEDULE
(in thousands of dollars)

| 90-0400-0-1-54 | 1989 Actual | 1990 Estimate | 1991 Estimate |
|---|---|---|---|
| **Program by Activities** | | | |
| 00.91 Total direct program | 26,219 | 25,905 | 26,635 |
| 01.01 Reimbursable program | 0 | 20 | 20 |
| 10.00 Total Obligations | 26,219 | 25,925 | 26,655 |
| **Financing** | | | |
| 11.00 Offsetting collections from Federal funds | 0 | -20 | -20 |
| 25.00 Unobligated balance lapsing | 94 | 0 | 0 |
| **Budget Authority** | | | |
| 40.00 Appropriation | 26,313 | 26,313 | 26,635 |
| 40.00 Reduction pursuant to P.L. 101-144 | 0 | -408 | 0 |
| 43.00 Appropriation (Adjusted) | 26,313 | 25,905 | 26,635 |
| **Relation of Obligations to Outlays:** | | | |
| 71.00 Obligations incurred, net | 26,219 | 25,905 | 26,635 |
| 72.40 Obligated balance, start of year | 12,021 | 15,401 | 15,328 |
| 74.40 Obligated balance, end of year | -15,401 | -15,328 | -15,459 |
| 77.00 Adjustments in expired accounts | -275 | 0 | 0 |
| 90.00 Outlays | 22,564 | 25,978 | 26,504 |

## SELECTIVE SERVICE SYSTEM
## SALARIES AND EXPENSES

### OBJECT CLASSIFICATION
### (in thousands of dollars)

| 90-0400-0-1-054 | | 1989 Actual | 1990 Estimate | 1991 Estimate |
|---|---|---|---|---|
| | Personnel compensation: | | | |
| 11.1 | Full-time permanent positions | 7,344 | 7,825 | 8,398 |
| 11.3 | Positions other than permanent | 226 | 297 | 307 |
| 11.5 | Other personnel compensation | 49 | 84 | 87 |
| 11.8 | Special personal services pymts | 6,654 | 6,460 | 5,984 |
| 11.9 | Total personnel compensation | 14,273 | 14,666 | 14,776 |
| 12.1 | Personnel benefits: Civilian | 1,409 | 1,570 | 1,684 |
| 13.0 | Benefits for Former Personnel | 40 | 40 | 41 |
| 21.0 | Travel & transportation of persons | 412 | 543 | 575 |
| 22.0 | Transportation of things | 0 | 3 | 3 |
| 23.1 | Rental Payments to GSA | 996 | 1,031 | 1,074 |
| 23.2 | Communications, utilities, and other rent | 2,265 | 2,325 | 2,367 |
| 24.0 | Printing and reproduction | 834 | 756 | 788 |
| 25.0 | Other services | 4,987 | 4,531 | 4,658 |
| 26.0 | Supplies and materials | 332 | 297 | 310 |
| 31.0 | Equipment | 671 | 143 | 359 |
| 99.0 | Subtotal, Direct Obligations | 26,219 | 25,905 | 26,635 |
| 99.0 | Reimbursable Obligations | 0 | 20 | 20 |
| 99.9 | Total Obligation | 26,219 | 25,925 | 26,655 |

## SELECTIVE SERVICE SYSTEM

## OBJECT CLASSIFICATION COMPARISON
(in thousands of dollars)

| | | FY 1989 Planned | FY 1989 Actual | FY 1990 Planned | FY 1990 Current Estimate |
|---|---|---|---|---|---|
| | Personnel compensation: | | | | |
| 11.1 | Full-time permanent positions | 7,463 | 7,344 | 7,592 | 7,825 |
| 11.3 | Positions other than permanent | 398 | 226 | 408 | 297 |
| 11.5 | Other personnel compensation | 108 | 49 | 108 | 84 |
| 11.8 | Special personal services pymts | 6,386 | 6,654 | 6,267 | 6,460 |
| 11.9 | Total personnel compensation | 14,355 | 14,273 | 14,375 | 14,666 |
| 12.1 | Personnel benefits: Civilian | 1,424 | 1,409 | 1,429 | 1,570 |
| 13.0 | Benefits for Former Personnel | 40 | 40 | 40 | 40 |
| 21.0 | Travel & transportation of persons | 510 | 412 | 553 | 543 |
| 22.0 | Transportation of things | 4 | 0 | 4 | 3 |
| 23.1 | Rental Payments to GSA | 996 | 996 | 1,032 | 1,031 |
| 23.2 | Communications, utilities, and other rent | 2,217 | 2,265 | 2,297 | 2,325 |
| 24.0 | Printing and reproduction | 703 | 834 | 729 | 756 |
| 25.0 | Other services | 5,551 | 4,987 | 5,323 | 4,531 |
| 26.0 | Supplies and materials | 341 | 332 | 353 | 297 |
| 31.0 | Equipment | 172 | 671 | 178 | 143 |
| 99.0 | Subtotal, Direct Obligations | 26,313 | 26,219 | 26,313 | 25,905 |
| 99.0 | Reimbursable Obligations | 20 | 0 | 20 | 20 |
| 99.9 | Total Obligation | 26,333 | 26,219 | 26,333 | 25,925 |

## SELECTIVE SERVICE SYSTEM
## SALARIES AND EXPENSES

### PERSONNEL SUMMARY

| 90-0400-0-1-054 | 1989 Actual | 1990 Estimate | 1991 Estimate |
|---|---|---|---|
| Total number of full-time permanent positions | 285 | 285 | 285 |
| Total compensable workyears: | | | |
| Full-time equivalent employment | 261 | 267 | 277 |
| Full-time equivalent of overtime and holiday hours | 1 | 1 | 1 |
| Average ES salary | $74,457 | $77,225 | $77,225 |
| Average GS grade | 8.11 | 8.11 | 8.11 |
| Average GS salary | $29,114 | $29,638 | $30,336 |
| Average salary of ungraded positions | -0- | -0- | -0- |

### SELECTIVE SERVICE SYSTEM

### SALARIES AND EXPENSES

### DETAIL OF PERMANENT POSITIONS

| 90-0400-0-1-054 | 1989 Actual | 1990 Estimate | 1991 Estimate |
|---|---|---|---|
| Executive Level IV | 1 | 1 | 1 |
| ES-6 | 1 | 1 | 1 |
| ES-5 | 0 | 0 | 0 |
| ES-4 | 0 | 0 | 0 |
| ES-3 | 1 | 1 | 1 |
| ES-2 | 0 | 0 | 0 |
| Subtotal | 3 | 3 | 3 |
| GS/GM-15 | 13 | 13 | 13 |
| GS/GM-14 | 14 | 14 | 14 |
| GS/GM-13 | 24 | 23 | 23 |
| GS-12 | 23 | 24 | 24 |
| GS-11 | 28 | 28 | 28 |
| GS-10 | 3 | 3 | 3 |
| GS-9 | 23 | 23 | 23 |
| GS-8 | 6 | 6 | 6 |
| GS-7 | 28 | 28 | 28 |
| GS-6 | 29 | 29 | 29 |
| GS-5 | 34 | 34 | 34 |
| GS-4 | 24 | 24 | 24 |
| GS-3 | 13 | 13 | 13 |
| GS-2 | 20 | 20 | 20 |
| Subtotal | 285 | 285 | 285 |
| Ungraded | 0 | 0 | 0 |
| Total permanent positions | 285 | 285 | 285 |
| Unfilled positions, end of year | -31 | -14 | -14 |
| Total permanent employment end of year | 254 | 271 | 271 |
| Full-time Equivalent Employment | 261 | 267 | 277 |

## SELECTIVE SERVICE SYSTEM INFORMATION TECHNOLOGY SYSTEMS

Selective Service automated data processing facilities include the Data Management Center and Joint Computer Center, both located in Illinois, and the Alexandria Computer Center located in Virginia. The Data Management Center provides the data entry, error correction, mail and logistics, and computer operations support required to process continuous registration. The Joint Computer Center, established jointly by Selective Service and the Military Entrance Processing Command, handles the data processing requirements of continuous registration, and supports the development of computer systems such as inductions, claims and appeals, and compliance. Programmers and analysts responsible for developing new systems and maintaining existing systems are located at the Alexandria Computer Center. This center also houses the computer used for Agency administrative applications.

Selective Service System's Information Technology Systems will continue to function at approximately the same level in the coming years. The funding increase requested in FY 1991 is $220,000 to replace outdated and unreliable data entry equipment. Replacement of this equipment with current technology hardware and software is necessary to ensure mobilization readiness and to accommodate the day to day processing requirements.

## REPORT ON OBLIGATIONS FOR INFORMATION TECHNOLOGY SYSTEMS

## SELECTIVE SERVICE SYSTEM

## OBLIGATIONS FOR INFORMATION TECHNOLOGY SYSTEMS

| | FY 1989 | FY 1990 | FY 1991 |
|---|---|---|---|
| 1. **Capital Investments ($000)** | | | |
| A. Purchase of hardware | 430 | 90 | 314 |
| B. Purchase of software | 9 | 4 | 4 |
| C. Site or facility | 8 | 8 | 8 |
| Subtotal | 447 | 102 | 326 |
| 2. **Personnel** | | | |
| A. Compensation, benefits, and travel ($000) | 3,511 | 3,637 | 3,767 |
| B. Workyears | (130) | (130) | (130) |
| Subtotal | 3,511 | 3,637 | 3,767 |
| 3. **Equipment rental, space, and other operating costs ($000)** | | | |
| A. Lease of hardware | 6 | 2 | 2 |
| B. Lease of software | 0 | 0 | 0 |
| C. Space | 503 | 553 | 575 |
| D. Supplies and other | 190 | 178 | 185 |
| Subtotal | 699 | 733 | 762 |
| 4. **Commercial services ($000)** | | | |
| A. ADPE time | 51 | 56 | 58 |
| B. Voice communications | 22 | 28 | 29 |
| C. Data communications | 305 | 351 | 365 |
| D. Operations and maintenance | 184 | 219 | 228 |
| E. Systems, analysis, programming, design, and engineering | 0 | 0 | 0 |
| F. Studies and other | 23 | 21 | 22 |
| G. Significant use of information technology | 0 | 0 | 0 |
| Subtotal | 585 | 675 | 702 |

| | | | |
|---|---|---|---|
| 5. **Interagency services ($000)** | | | |
| A. Payments | 915 | 1,008 | 1,048 |
| B. Offsetting collections | 0 | 0 | 0 |
| Subtotal | 915 | 1,008 | 1,048 |
| 6. **Intra-agency services ($000)** | | | |
| A. Payments | 0 | 0 | 0 |
| B. Offsetting collections | 0 | 0 | 0 |
| Subtotal | 0 | 0 | 0 |
| 7. **Other services ($000)** | | | |
| A. Payments | 0 | 0 | 0 |
| B. Offsetting collections | 0 | 0 | 0 |
| Subtotal | 0 | 0 | 0 |
| **TOTALS** | | | |
| Total Obligations | 6,157 | 6,155 | 6,606 |
| Workyears | (130) | (130) | (130) |

## SELECTIVE SERVICE SYSTEM

### Major Information Technology Acquisition Plans
### 1989 - 1995
### (in thousands of dollars)

**Item:** **Purchase of Hardware**

| Obligations: | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|
| | 117 | 121 | 125 | 129 | 132 | 135 | 138 |

Description: Routine replacement cost of terminals, keyboards, modems, etc.

**Item:** **Lease of Equipment**

| Obligations: | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|
| | 6 | 6 | 7 | 7 | 7 | 7 | 7 |

Description: Routine on-going costs of renting terminals and printers.

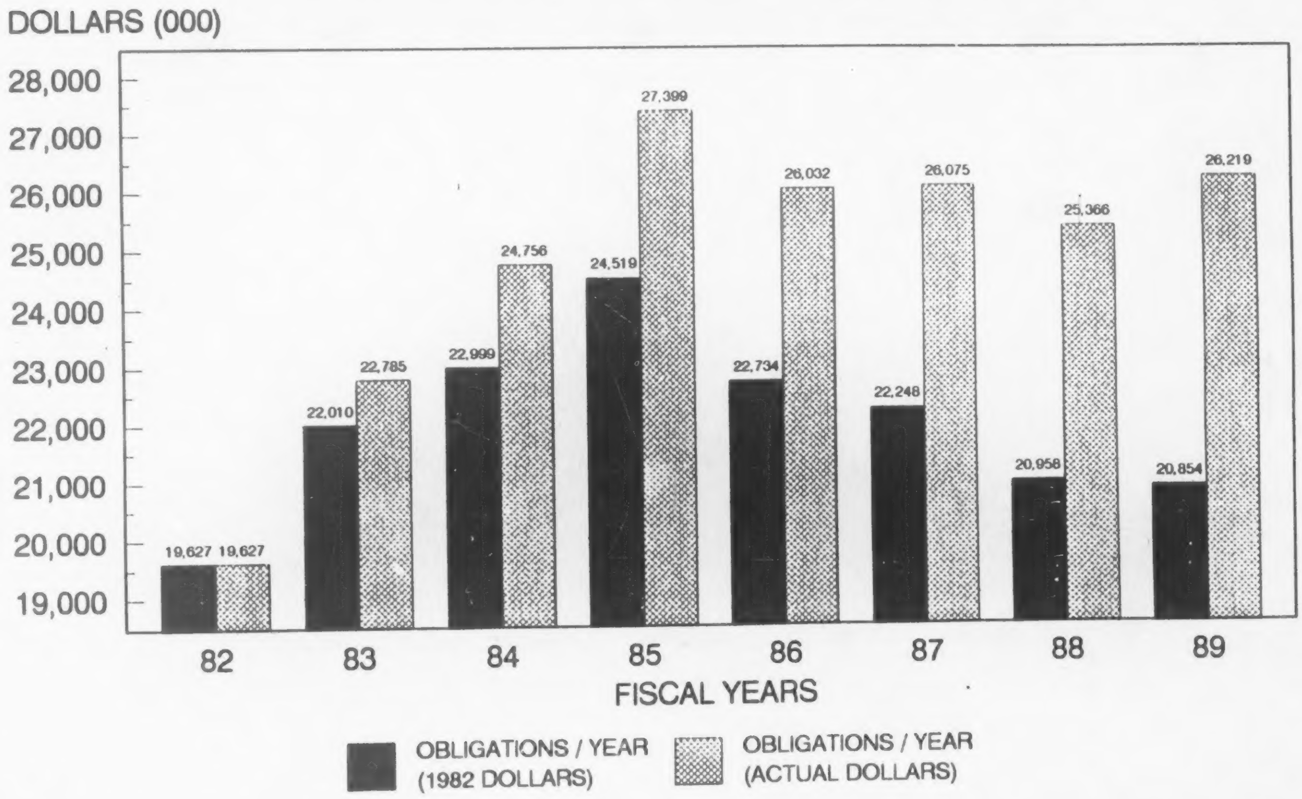
**Item:** **Commercial Services**

| Obligations: | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|
| | 642 | 1,015 | 676 | 695 | 712 | 726 | 741 |

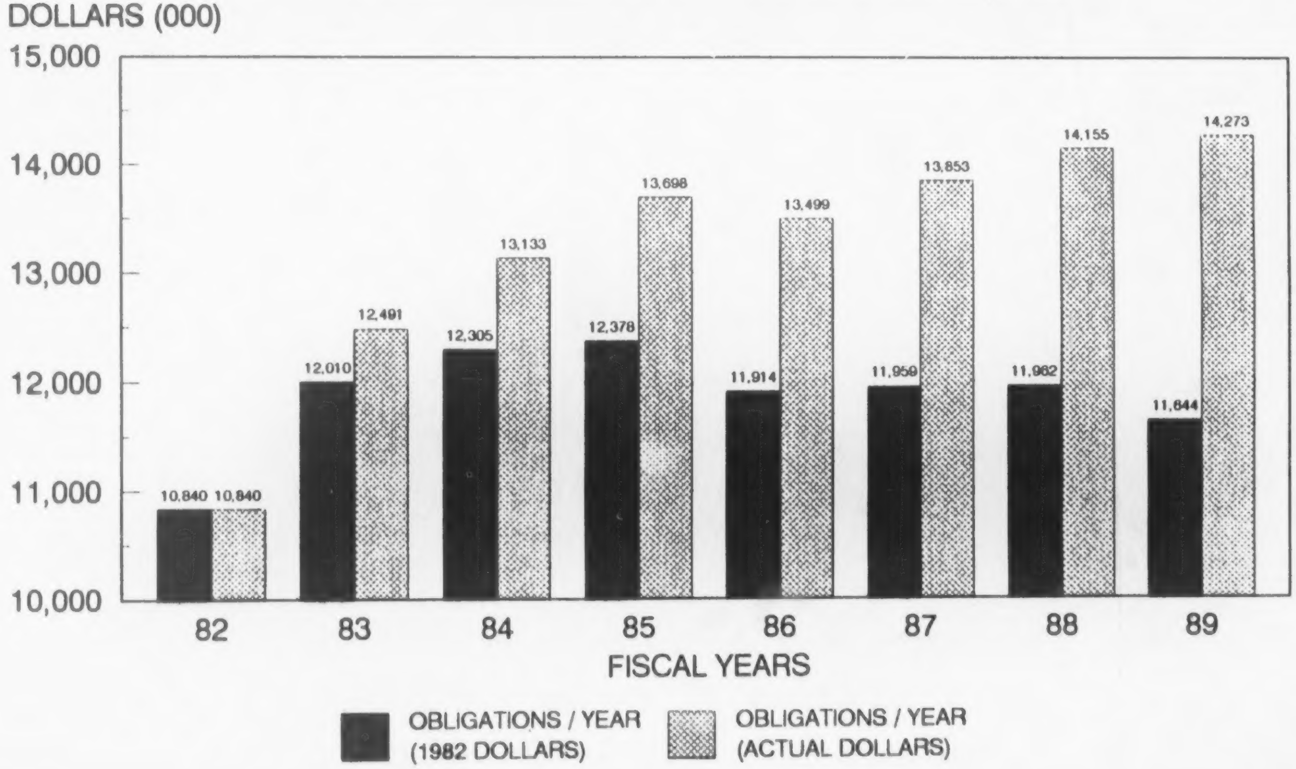
Description: Routine on-going expenses related to leased telecommunications, maintenance of ADP equipment and data entry services and contractor support for the Health Care Personnel Delivery System in FY 1990.

Note: Increases in obligations reflect OMB's economic assumptions through FY 1995.

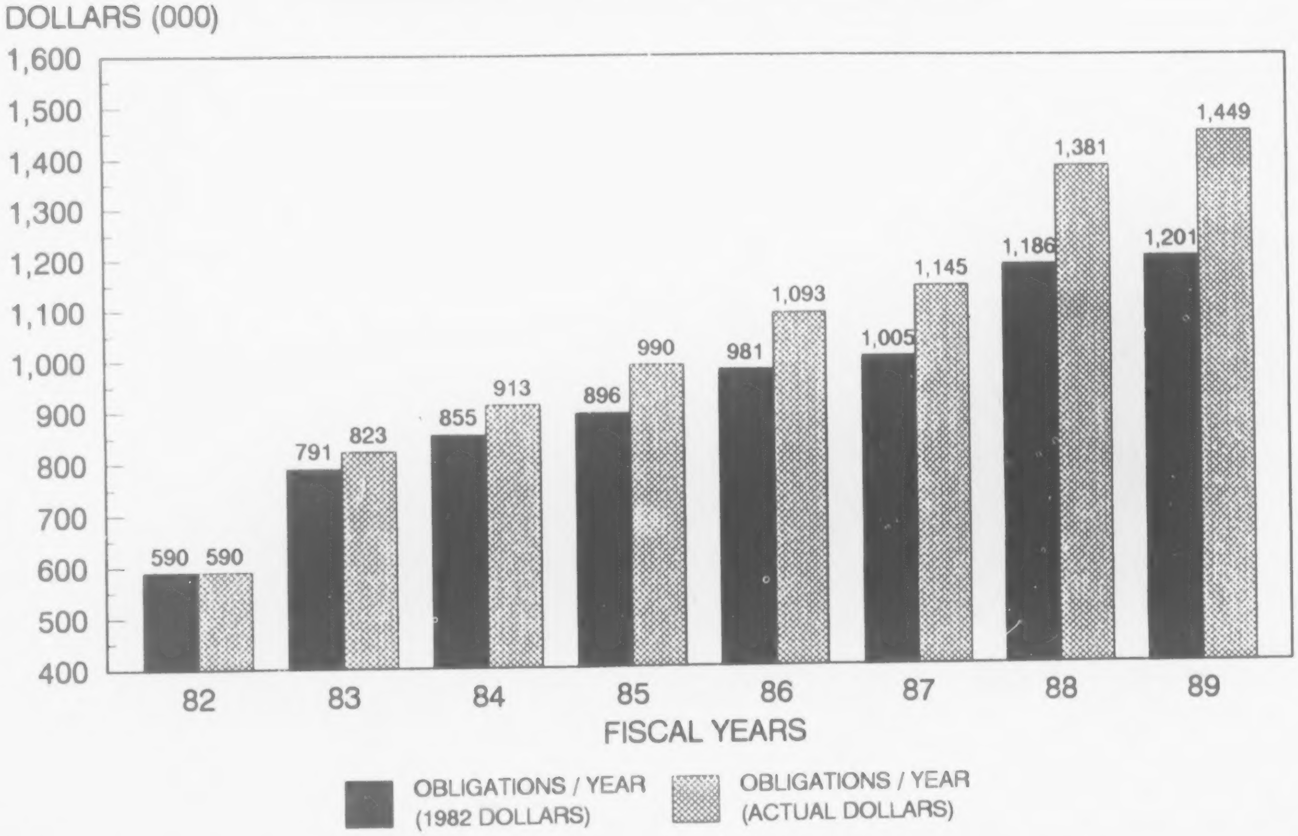
# TOTAL BUDGET HISTORY



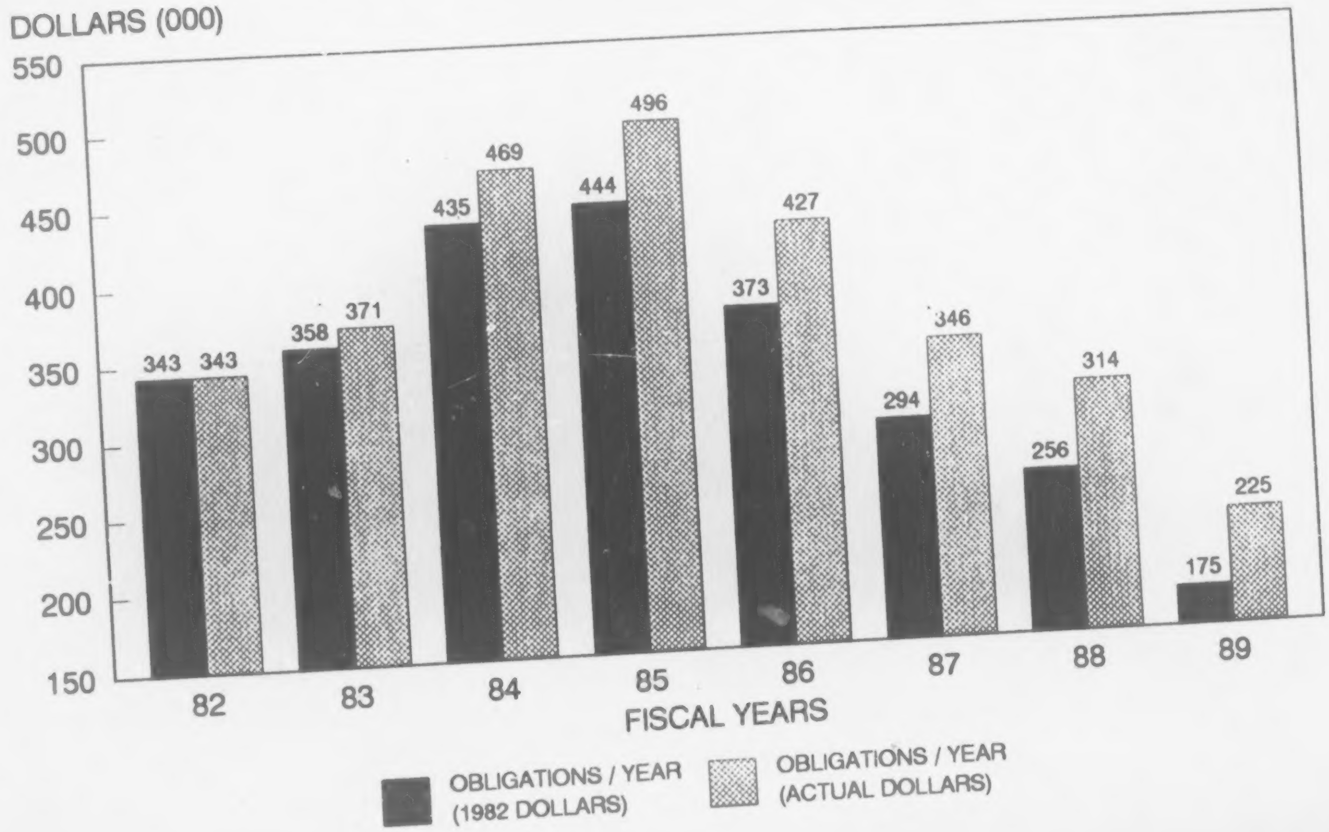
## TOTAL PERSONNEL COMPENSATION
CIVILIAN AND MILITARY



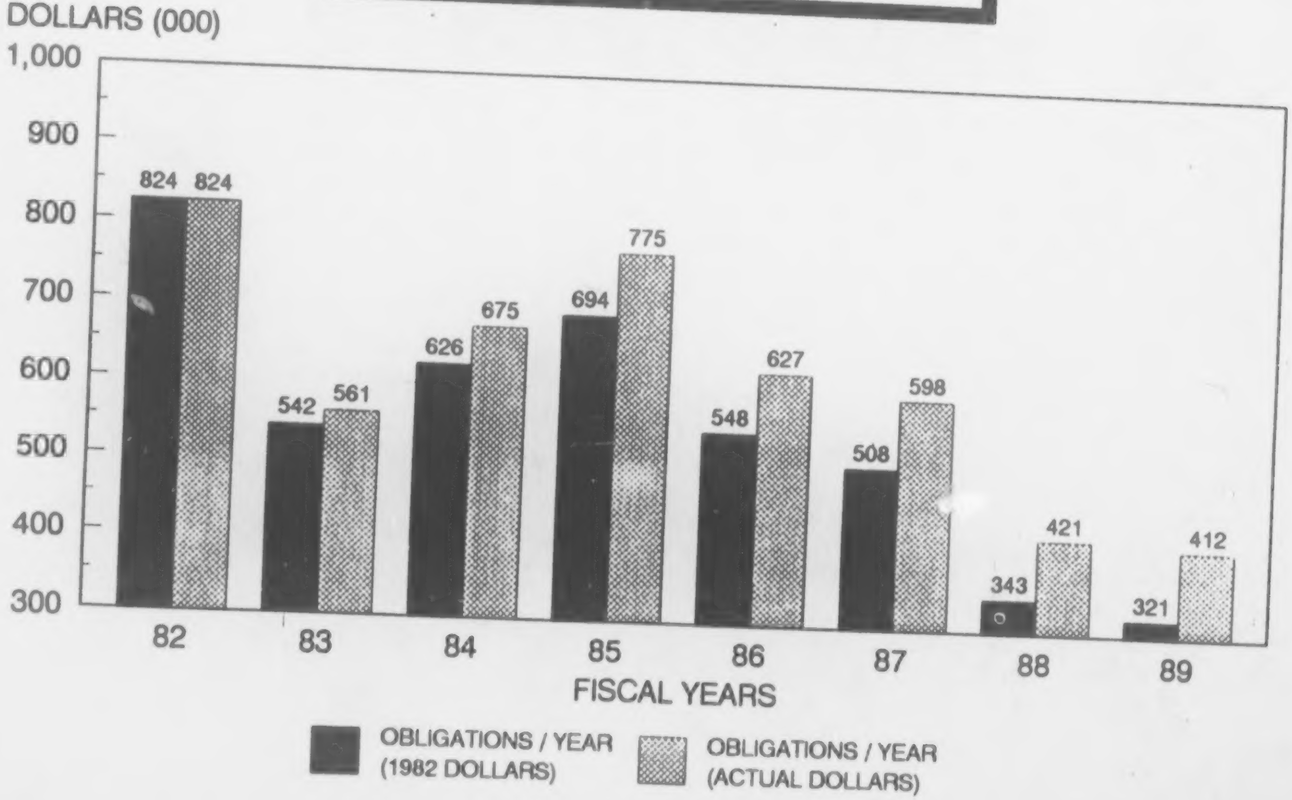
## TOTAL PERSONNEL BENEFITS

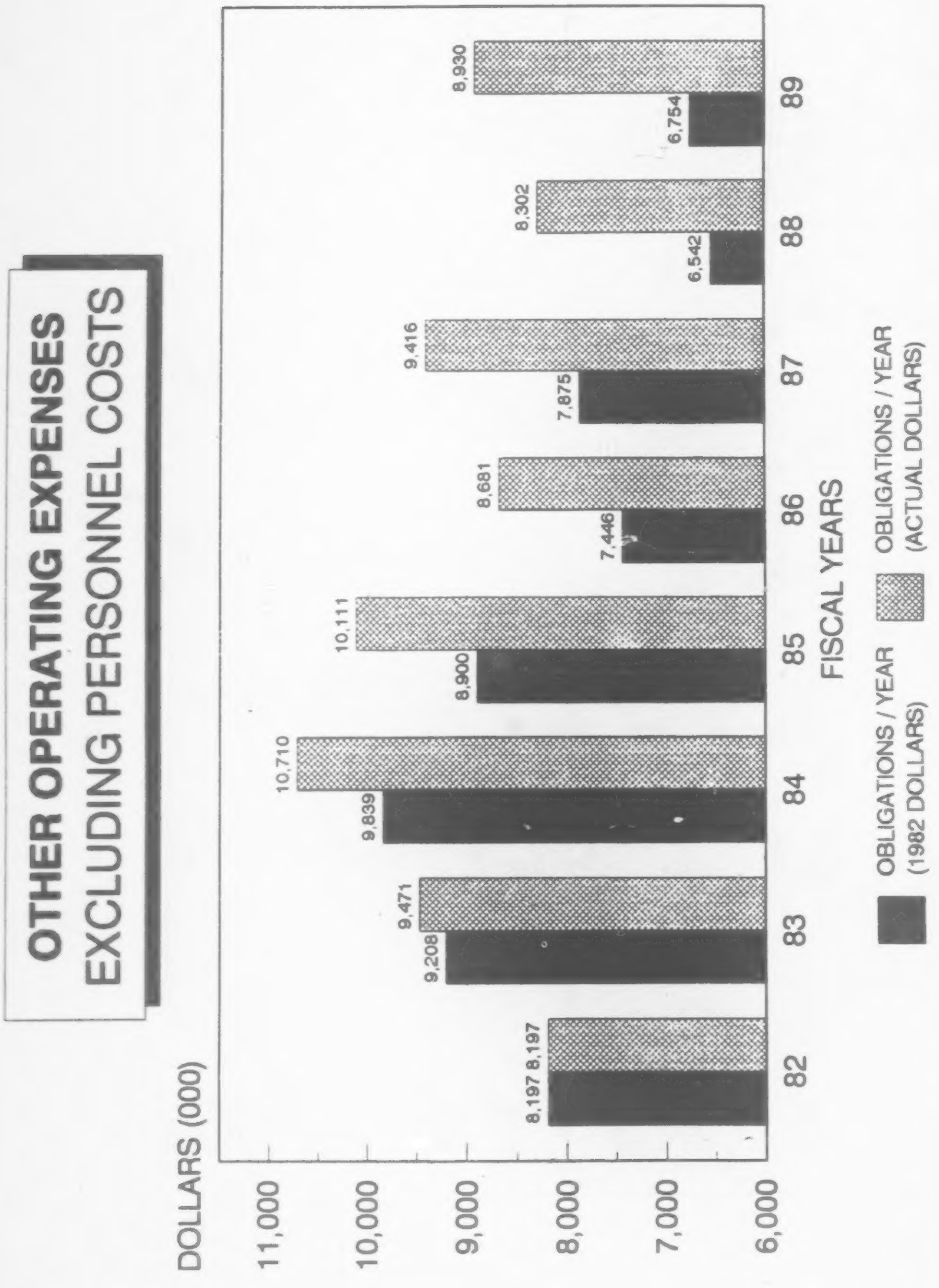


## STAFF TRAVEL



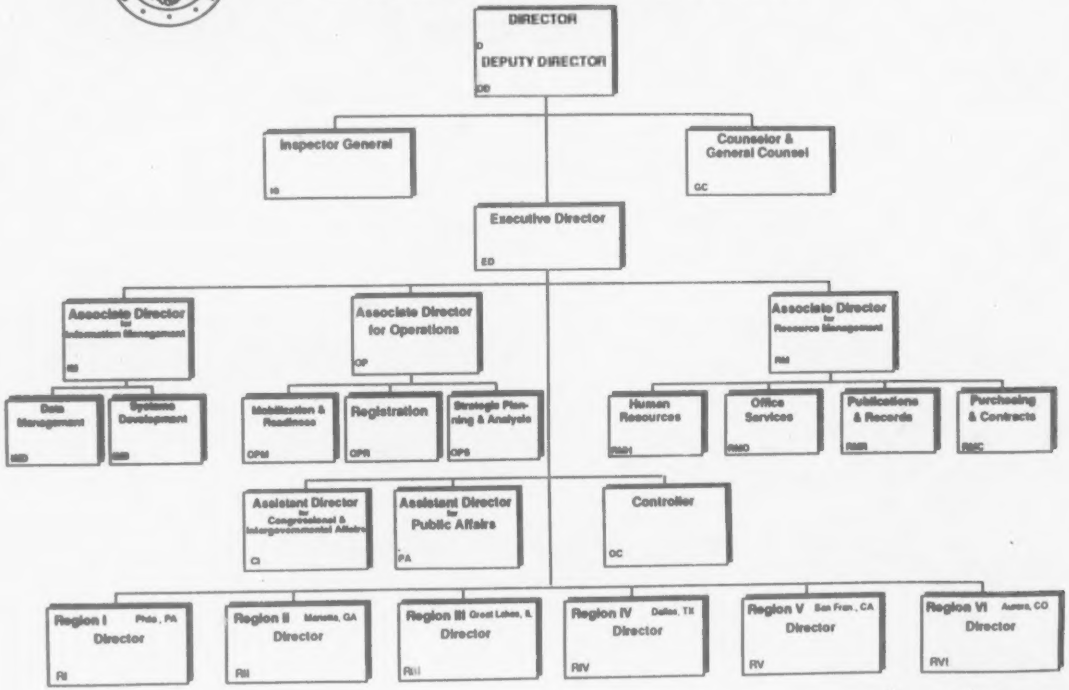
## TOTAL TRAVEL COSTS
## STAFF AND BOARD MEMBER





OTHER OPERATING EXPENSES EXCLUDING PERSONNEL COSTS

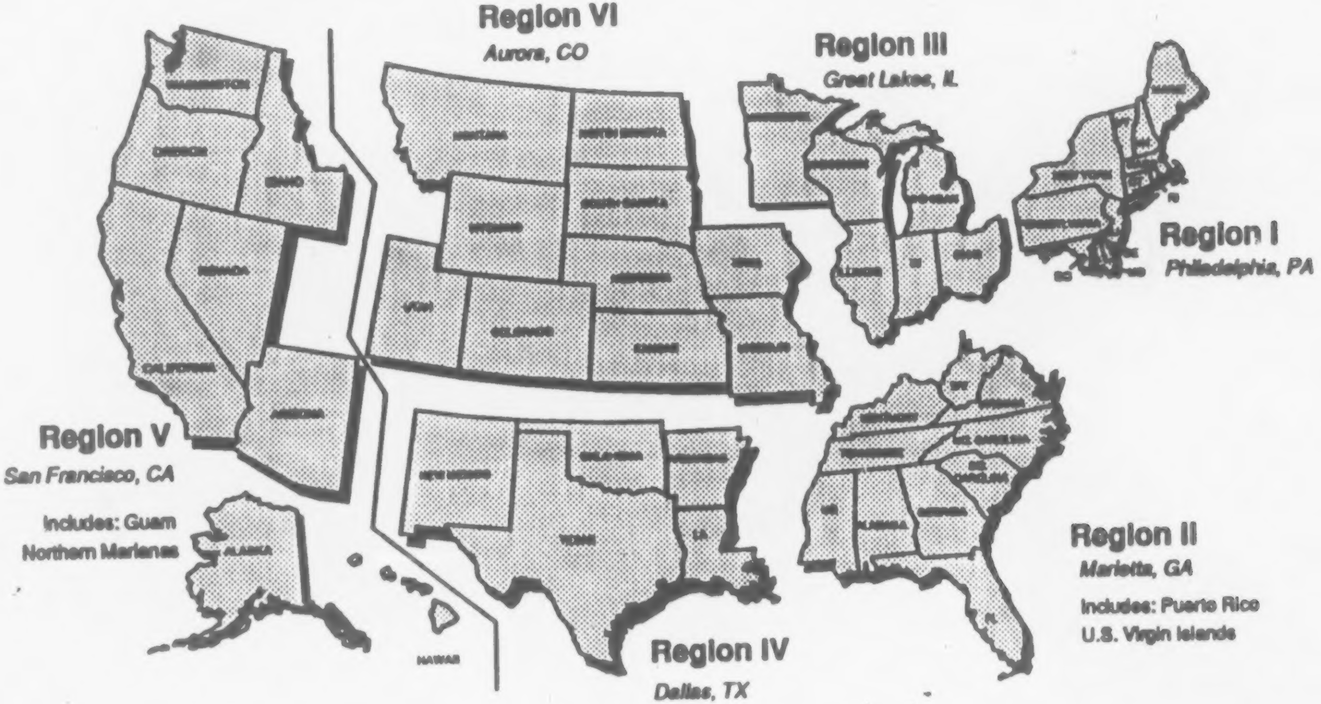
# ORGANIZATION CHART

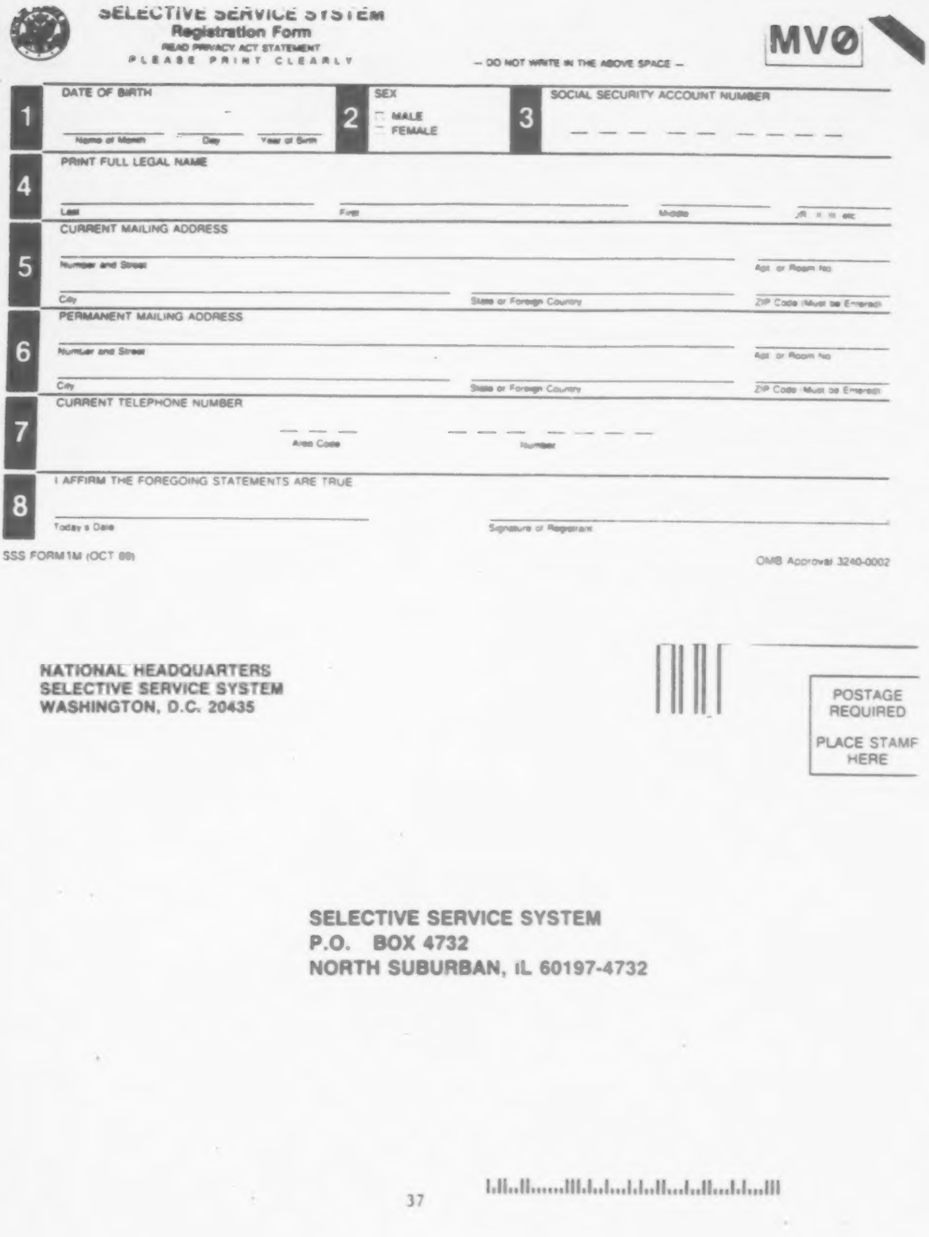


Samuel K. Lessey Jr.

Samuel K. Lessey Jr.
Director
DATE: January 1, 1990

# Selective Service System Regions





**SELECTIVE SERVICE SYSTEM**
**Registration Form**
READ PRIVACY ACT STATEMENT
PLEASE PRINT CLEARLY

— DO NOT WRITE IN THE ABOVE SPACE —

MV0

1 DATE OF BIRTH
Name of Month · Day · Year of Birth

2 SEX
☐ MALE
☐ FEMALE

3 SOCIAL SECURITY ACCOUNT NUMBER
— — — — — — — — —

4 PRINT FULL LEGAL NAME
Last · First · Middle · JR, II, III, etc.

5 CURRENT MAILING ADDRESS
Number and Street · Apt. or Room No.
City · State or Foreign Country · ZIP Code (Must be Entered)

6 PERMANENT MAILING ADDRESS
Number and Street · Apt. or Room No.
City · State or Foreign Country · ZIP Code (Must be Entered)

7 CURRENT TELEPHONE NUMBER
— — — Area Code · — — — — — — — Number

8 I AFFIRM THE FOREGOING STATEMENTS ARE TRUE
Today's Date · Signature of Registrant

SSS FORM 1M (OCT 88)

OMB Approval 3240-0002

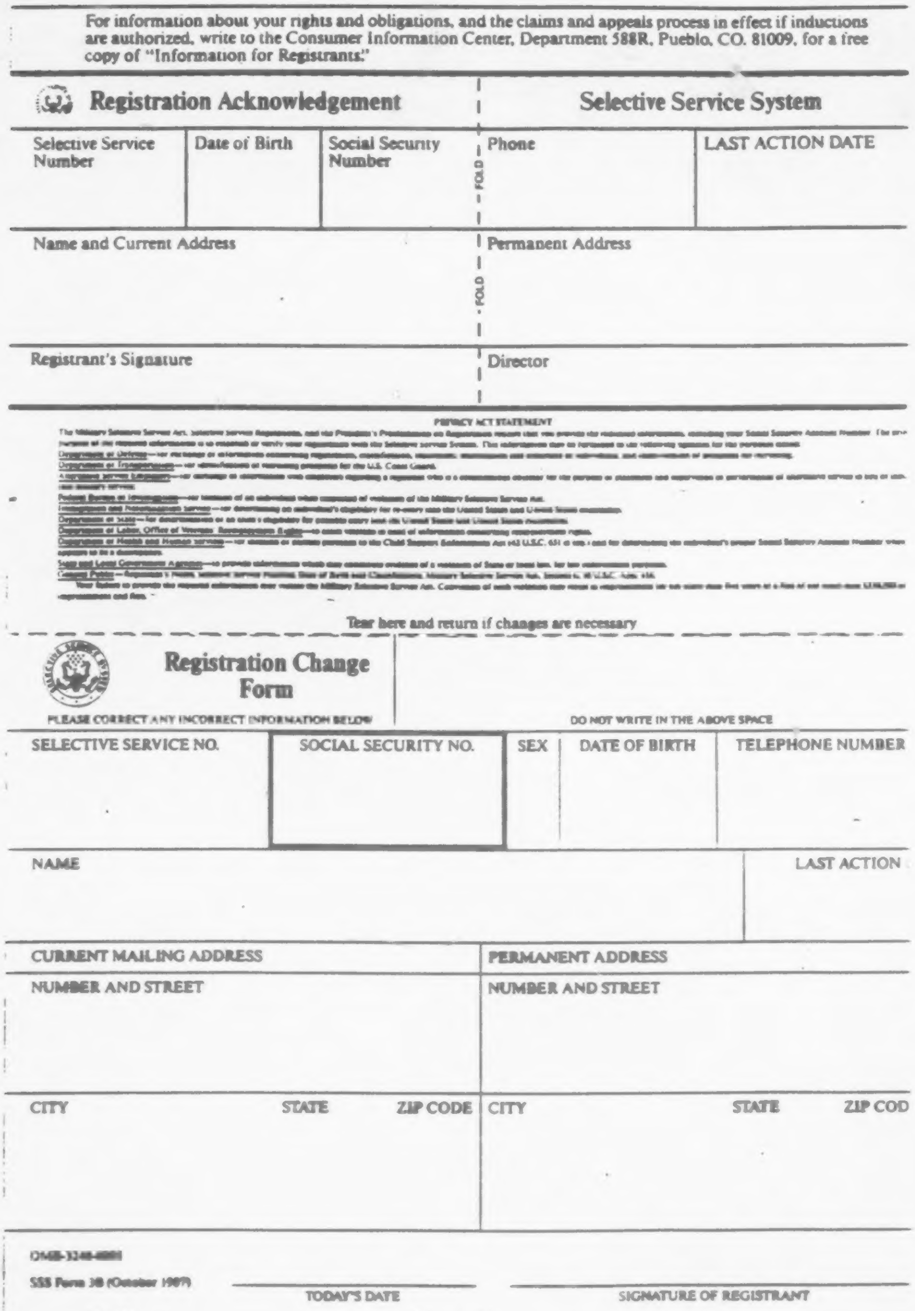
**NATIONAL HEADQUARTERS**
**SELECTIVE SERVICE SYSTEM**
**WASHINGTON, D.C. 20435**

POSTAGE
REQUIRED

PLACE STAMP
HERE

**SELECTIVE SERVICE SYSTEM**
**P.O. BOX 4732**
**NORTH SUBURBAN, IL 60197-4732**

37



For information about your rights and obligations, and the claims and appeals process in effect if inductions are authorized, write to the Consumer Information Center, Department 588R, Pueblo, CO. 81009, for a free copy of "Information for Registrants."

## Registration Acknowledgement

## Selective Service System

| | | | | |
|---|---|---|---|---|
| Selective Service Number | Date of Birth | Social Security Number | Phone | LAST ACTION DATE |

FOLD

| | |
|---|---|
| Name and Current Address | Permanent Address |
| Registrant's Signature | Director |

FOLD

PRIVACY ACT STATEMENT

Tear here and return if changes are necessary

## Registration Change Form

PLEASE CORRECT ANY INCORRECT INFORMATION BELOW

DO NOT WRITE IN THE ABOVE SPACE

| | | | | |
|---|---|---|---|---|
| SELECTIVE SERVICE NO. | SOCIAL SECURITY NO. | SEX | DATE OF BIRTH | TELEPHONE NUMBER |

| | |
|---|---|
| NAME | LAST ACTION |

| | | | | | |
|---|---|---|---|---|---|
| CURRENT MAILING ADDRESS | | | PERMANENT ADDRESS | | |
| NUMBER AND STREET | | | NUMBER AND STREET | | |
| CITY | STATE | ZIP CODE | CITY | STATE | ZIP COD |

OMB-3240-0001

SSS Form 38 (October 1987)

TODAY'S DATE

SIGNATURE OF REGISTRANT

USE THIS AS A RETURN POSTCARD
ONLY IF CHANGES ARE NECESSARY
Include your return address above
Be sure to include proper postage

PLACE
SELECTIVE SERVICE SYSTEM
ADDRESS LABEL HERE

Affix Proper Postage here

**SELECTIVE SERVICE SYSTEM**
**P.O. Box 4636**
**North Surburban, IL 60197-[illegible]**

Use this removable label for
address on reply card

ZIP + 4 PRESORTED
POSTAGE & FEES PAID
SELECTIVE SERVICE SYSTEM
PERMIT NO. G-119

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300
ADDRESS CORRECTION REQUESTED

**NOTICE TO THE REGISTRANT**

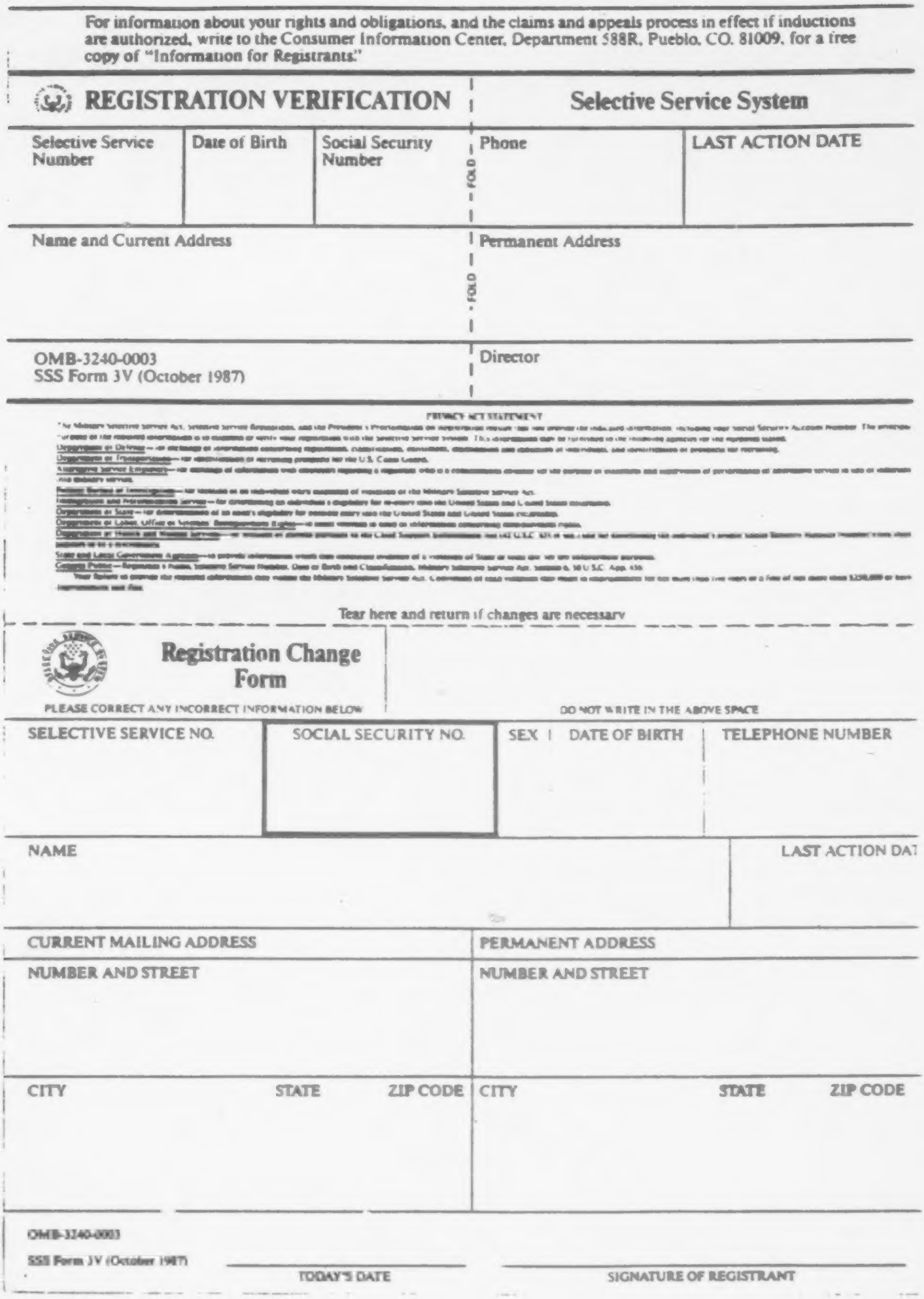
This Registration Acknowledgement should be kept as proof of your registration with the Selective Service System. Federal and State law require registration for men applying for some benefits (such as student aid, Federal employment, job training, etc.) to be registered with Selective Service. Federal law requires that you:

1. Notify Selective Service of any error and/or change in your record within 10 days after the changes or receipt of this form.
2. Provide your Social Security Number to Selective Service.

Your failure to provide the required information may violate the Military Selective Service Act. Conviction of such violation may result in imprisonment for not more than five years or a fine of not more than $250,000 or both imprisonment and fine.

Use the Record Change Form portion of this mailer to correct any error in the information shown on your Registration Acknowledgement or to make any future changes to your registration record. To correct or change your record, print the corrected information directly above the information that is in error. Mail the **REGISTRATION CHANGE FORM** to the Selective Service using the preprinted address label above.

Remember, you are required to keep Selective Service informed of any change in your address until you reach the year of your 26th birthday. You can do so by completing and mailing an SSS Change form which is available at any Post Office.



For information about your rights and obligations, and the claims and appeals process in effect if inductions are authorized, write to the Consumer Information Center, Department 588R, Pueblo, CO. 81009, for a free copy of "Information for Registrants."

**REGISTRATION VERIFICATION** | **Selective Service System**

| | | | | |
|---|---|---|---|---|
| Selective Service Number | Date of Birth | Social Security Number | Phone | LAST ACTION DATE |

| | |
|---|---|
| Name and Current Address | Permanent Address |
| OMB-3240-0003<br>SSS Form 3V (October 1987) | Director |

FOLD

FOLD

PRIVACY ACT STATEMENT

Tear here and return if changes are necessary

**Registration Change Form**

PLEASE CORRECT ANY INCORRECT INFORMATION BELOW

DO NOT WRITE IN THE ABOVE SPACE

| | | | | |
|---|---|---|---|---|
| SELECTIVE SERVICE NO. | SOCIAL SECURITY NO. | SEX | DATE OF BIRTH | TELEPHONE NUMBER |

| | |
|---|---|
| NAME | LAST ACTION DAT |

| | | | | | |
|---|---|---|---|---|---|
| CURRENT MAILING ADDRESS | | | PERMANENT ADDRESS | | |
| NUMBER AND STREET | | | NUMBER AND STREET | | |
| CITY | STATE | ZIP CODE | CITY | STATE | ZIP CODE |

OMB-3240-0003

SSS Form 3V (October 1987)

TODAY'S DATE

SIGNATURE OF REGISTRANT

**USE THIS AS A RETURN POSTCARD ONLY IF CHANGES ARE NECESSARY**

Include your return address above
Be sure to include proper postage

PLACE
SELECTIVE SERVICE SYSTEM
ADDRESS LABEL HERE

Affix Proper Postage here

**SELECTIVE SERVICE SYSTEM**
**P.O. Box 4637**
**North Surburban, IL 60197-4637**

ZIP + 4 PRESORTED
POSTAGE & FEES PAID
SELECTIVE SERVICE SYSTEM
PERMIT NO. G-119

Use this removable label for
address on reply card

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300
ADDRESS CORRECTION REQUESTED

NOTICE TO THE REGISTRANT

Each man registered with the Selective Service System is required by law to keep his registration record up to date until January of the year he reaches age 26.

The Registration Verification shows the information that is now contained in your registration record. Please read each item carefully to make sure the information is correct. Pay particular attention to your Social Security Account Number.

Use the Record Change Form portion of this mailer to correct any error in the information shown on your Registration Verification or to make any future changes in your registration record.

To correct or change your record, print the corrected information directly above the information that is in error. Mail the Registration Change Form to the Selective Service using the preprinted address label above. If all items are correct, please keep this Registration Verification for your records.

# Men are required to register with the Selective Service System within 30 days of reaching their 18th birthday.

### 1. Why it's important to register.

Through registration, our country maintains a list of names and addresses of young men 18 through 25 years of age for use in the event of a mobilization. It is not a resumption of the draft.

### 2. The potential benefits.

Federal and some State laws require registration-age men applying for certain benefits (such as student financial aid, government employment, and job training) to be registered with Selective Service (except those determined by Selective Service to be exempt from the requirement). In addition to being subject to prosecution, failure to register may cause you to permanently forfeit eligibility for these benefits, as men cannot register after reaching age 26.

### 3. The potential penalties for not registering.

Young men who are convicted of failure to register may be fined up to $250,000, imprisoned for up to five years, or both.

### 4. The quick, easy way to comply.

If you have not registered, read this mailer. Then complete, affix proper postage, and mail the attached registration form.

If this mailer doesn't apply to you, please pass it on to a friend or relative who may be required to register.

**Act today.**
**It's quick. It's easy.**
**And it's the law.**

# A Registration Reminder:

**Men who are age 18 through 25 are required to register if they have not already done so.**

1. Within 90 days after registering, you should receive a registration acknowledgment from Selective Service which will provide you with a copy of your registration record. SAFEGUARD THAT DOCUMENT since it will serve as official proof of your registration. If you do not receive a registration acknowledgment within 90 days after registering, it is very important that you write to the address below, or call our toll-free number, 1-800-621-5388 to verify that your registration has been received.

Selective Service System
Registration Information Office
P.O. Box 4638
North Suburban, IL 60197-4638

2. Once you register, the law also requires you to keep Selective Service informed of your address changes so mail can reach you without delay. You can inform Selective Service of an address change by writing to the address mentioned in #1, or you may go to any Post Office for a Change-of-Information Form (SSS Form 2), fill it out and mail it free of charge.

# How to complete this form:

1. Read the Privacy Act Statement.
2. Print all entries except your signature clearly in ink.
3. Print your date of birth in Block 1. Use a three-letter abbreviation for the month and numerals for the day and year (Example: OCT 29, 1967).
4. Check the correct box in Block 2.
5. If you have a Social Security Account Number, it is mandatory that you include it in Block 3. Otherwise, leave this block blank.
6. Print your full legal name in Block 4 in the order listed. Include any suffix (II, III, or Jr.).
7. Print your current mailing address in Block 5 and include ZIP Code.
8. Print your permanent mailing address in Block 6 and include ZIP Code. If it is the same as your current mailing address (Block 5), leave this block blank.
9. Print your telephone number in Block 7.
10. Print today's date in Block 8 and sign your name.
11. Tear off the Registration Form from this mailer, affix proper postage, and mail.

TEAR OFF THIS PORTION BEFORE MAILING

Selective Service System Registration Information Office
P.O. Box 4738, North Suburban, IL 60197-4738
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300

BULK RATE
POSTAGE & FEES PAID
SELECTIVE SERVICE SYSTEM
PERMIT NO. G-118

# A reminder to YOUNG MEN!

It's important that you read this message.

## How the Government uses this information

PRIVACY ACT STATEMENT

The Military Selective Service Act and pursuant regulations, and the President's Proclamation on Registration require that you provide the indicated information, including your Social Security Account Number. The principal purpose of the required information is to establish or verify your registration with the Selective Service System. This information may be furnished to other government agencies for the stated purposes on a selective basis.

Department of Justice — for review and processing of suspected violations of the Military Selective Service Act, or for perjury, and for defense of civil action arising from administrative processing under such Act.

Department of State & Immigration and Naturalization Service — for collection and evaluation of data to determine a person's eligibility for entry/re-entry to the United States and for United States citizenship.

Department of Defense & U.S. Coast Guard — for exchange of data concerning registration, classification, induction, and examination of registrants and for identification of prospects for recruiting.

Department of Labor — to assist veterans in need of data concerning reemployment rights and for determination of eligibility for benefits under the Job Training Partnership Act.

Department of Education — for determination of eligibility for student financial assistance.

Office of Personnel Management & U.S. Postal Service — for determination of eligibility for employment.

Department of Health and Human Services — for determining a person's proper Social Security Account Number and/or for location of fathers pursuant to the Child Support Enforcement Act.

State and Local Governments — to provide data which may constitute evidence and facilitate in the enforcement of state or local law.

Alternative Service Employers — for exchange of information with employers regarding a registrant who is a conscientious objector for the purpose of placement and supervision of performance of alternative service in lieu of induction into military service.

General Public — Registrant's name, Selective Service Number, date of birth, and classification. Military Selective Service Act, Section 6, 50 U.S.C. App. 456.

Failure to provide the required information may violate the Military Selective Service Act. Conviction for such a violation may result in imprisonment for up to five years and/or a fine of not more than $250,000.

TEAR THIS PORTION OFF BEFORE MAILING

FPI PET

SELECTIVE SERVICE SYSTEM
P.O. BOX 4733
NORTH SUBURBAN, IL 60197-4733

# SELECTIVE SERVICE SYSTEM

Telephone...1-800-621-5388

(DATE: )

45065313R C11 000001 431-35-6054

LINDSAY CALVIN JOHNSON
RT 1 FALL BRANCH RD
BLOUNTVILLE, TN 37617

Dear Mr. JOHNSON:

A computer match using government files has identified you as a man who may be required to register with Selective Service, but who may not have registered. Unless determined by Selective Service to be exempt from the registration requirement, Federal law requires men to register within 30 days of their 18th birthday. The only conditions exempting a person from this requirement are listed in Section B of the enclosed form.

Please complete and return the enclosed form as follows:

**SECTION A**- To register, complete Section A.

Please note that due to differences in name, date of birth, or other data in a man's record on one of the files we use, we sometimes send this letter to a man who has already registered. IF YOU HAVE ALREADY REGISTERED, CALL US TOLL-FREE AT 1-800-621-5388, AND HAVE THIS LETTER AND YOUR SELECTIVE SERVICE NUMBER AVAILABLE SO WE CAN CLEAR OUR RECORDS.

**SECTION B**- If you believe you are exempt from the requirement to register, explain why in Section B and SUBMIT THE REQUIRED PROOF. Selective Service will then review your claim and proof and make a determination. If you are found to be currently exempt, no reply will be sent to you

PLEASE NOTE: Unless you have been exempt for the entire time since your 18th birthday, you should register now even if you are currently in one of the categories designated by an asterisk in Section B of the enclosed form in order to ensure your eligibility for certain benefits and jobs. Register by completing Section A.

**SECTION C**- If you are unable to complete this form, another person should explain why in Section C.

WITHIN 15 DAYS AFTER RECEIPT PLEASE COMPLETE, SIGN, AND RETURN THE ATTACHED FORM IN THE ENCLOSED ENVELOPE. Remember: Unless you are found to be exempt from the registration requirement, YOUR REGISTRATION WITH SELECTIVE SERVICE IS REQUIRED BY LAW.

## IMPORTANT NOTE

Federal laws, and laws in some States, require men applying for some benefits or jobs (such as student financial aid, Federal employment, certain State jobs, job training, etc.) to have complied with the Selective Service registration requirement when they were of registration age in order to be eligible for those benefits or jobs. In addition to making a man subject to prosecution, failure to register may cause him to permanently forfeit eligibility for these benefits and jobs.

Thank you for your cooperation.

Sincerely,

Samuel K. Lessey Jr

SAMUEL K. LESSEY JR.
Director

Enclosures

C11-JUNE 14, 88

## PRIVACY ACT STATEMENT

The Military Selective Service Act, Selective Service Regulations, and the President's Proclamation on Registration require that you provide the indicated information, including your Social Security Account Number.

The principal purpose of the required information is to establish or verify your registration with the Selective Service System. This information may be furnished to the following agencies for the purposes stated:

Department of Defense—for exchange of information concerning registration, classification, enlistment, examination and induction of individuals, and identification of prospects for recruiting.

Department of Transportation—for identification of recruiting prospects for the U.S. Coast Guard.

Alternative service employers—for exchange of information with employers regarding a registrant who is a conscientious objector for the purpose of placement and supervision of performance of alternative service in lieu of induction into military service.

Department of Justice—for review and processing violations of the Military Selective Service Act, or for perjury, and for defense of a civil action arising from administrative processing under such Act.

Federal Bureau of Investigation—for location of an individual when suspected of violation of the Military Selective Service Act.

Immigration and Naturalization Service—to provide information for use in determining an individual's eligibility for re-entry into the United States and United States citizenship.

Department of State—for determination of an alien's eligibility for possible entry into the United States and United States citizenship.

Office of Veterans' Reemployment Rights, United States Department of Labor—to assist veterans in need of information concerning reemployment rights.

Department of Health and Human Services—for location of parents pursuant to the Child Support Enforcement Act (42 U.S.C. 651 et seq.) and for determining the individual's proper Social Security Account Number when there appears to be a discrepancy.

State and local government agencies—to provide information which may constitute evidence of a violation of State or local law, for law enforcement purposes.

General Public—Registrant's Name, Selective Service Number, Date of Birth and Classification. Military Selective Service Act, Section 6, 50 U.S.C. App. 456.

Your failure to provide the required information may violate the Military Selective Service Act. Conviction of such violation may result in imprisonment for not more than five years or a fine of not more than $250,000 or both imprisonment and fine.

SELECTIVE SERVICE SYSTEM
P.O. BOX 4733
NORTH SUBURBAN, IL 60197-4733
SELECTIVE SERVICE SYSTEM

Telephone...1-800-621-5388

(DATE: )
431-35-6054

45065313R C20 000001

LINDSAY CALVIN JOHNSON
RT 1 FALL BRANCH RD
BLOUNTVILLE, TN 37617

Dear Mr. JOHNSON:

We have not received a reply to our earlier letter. You are still on our list of men who are apparently required to register but have not done so. If there ever were a return to inductions, those who fail to register would increase the draft vulnerability of those who have registered. Therefore, we cannot ignore your failure to respond.

This letter is your final notice from Selective Service before we send your name to the Department of Justice with a request that you be prosecuted for failure to register as required by the Military Selective Service Act. Willful failure to register is a felony offense punishable by imprisonment and fine.

We will remove your name from our list of suspected nonregistrants, if you register, or confirm that you are already registered, or submit proof that you are exempt from the registration requirement.

You may register or confirm that you have already registered by completing and signing Section A of the enclosed form and returning it to us in the envelope provided. If you believe you are exempt from the registration requirement, complete and sign Section B of the form and return it to us with the required proof. Write your Case Control Number, located below the date of this letter, on any letter or separate material that you send to us.

If you have a question about registration, please contact us on our toll-free number: 1-800-621-5388.

IMPORTANT NOTE

Federal laws, and laws in some States, require men applying for some benefits or jobs (such as student financial aid, Federal employment, certain State jobs, job training, etc.) to have complied with the Selective Service registration requirement when they were of registration age in order to be eligible for those benefits or jobs. In addition to making a man subject to prosecution, failure to register may cause him to permanently forfeit eligibility for these benefits and jobs.

Sincerely,

Samuel K. Lessey Jr.

SAMUEL K. LESSEY JR.
Director

Enclosures

C20-MAR. 02. 88

## PRIVACY ACT STATEMENT

The Military Selective Service Act, Selective Service Regulations, and the President's Proclamation on Registration require that you provide the indicated information, including your Social Security Account Number.

The principal purpose of the required information is to establish or verify your registration with the Selective Service System. This information may be furnished to the following agencies for the purposes stated.

Department of Defense—for exchange of information concerning registration, classification, enlistment, examination and induction of individuals, and identification of prospects for recruiting.

Department of Transportation—for identification of recruiting prospects for the U.S. Coast Guard.

Alternative service employers—for exchange of information with employers regarding a registrant who is a conscientious objector for the purpose of placement and supervision of performance of alternative service in lieu of induction into military service.

Department of Justice—for review and processing violations of the Military Selective Service Act, or for perjury, and for defense of a civil action arising from administrative processing under such Act.

Federal Bureau of Investigation—for location of an individual when suspected of violation of the Military Selective Service Act.

Immigration and Naturalization Service—to provide information for use in determining an individual's eligibility for re-entry into the United States and United States citizenship.

Department of State—for determination of an alien's eligibility for possible entry into the United States and United States citizenship.

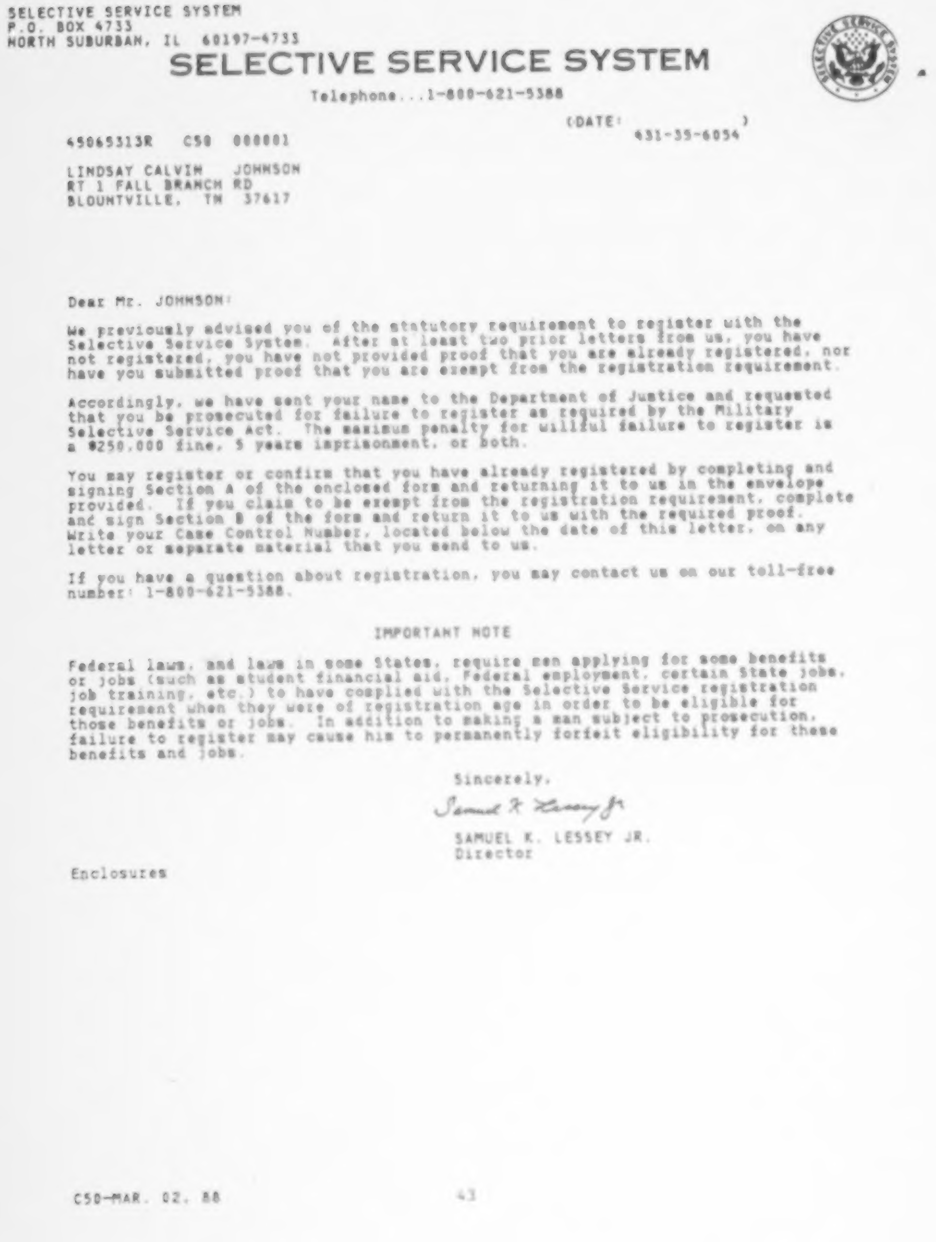
Office of Veterans' Reemployment Rights, United States Department of Labor—to assist veterans in need of information concerning reemployment rights.

Department of Health and Human Services—for location of parents pursuant to the Child Support Enforcement Act (42 U.S.C. 651 et seq.) and for determining the individual's proper Social Security Account Number when there appears to be a discrepancy.

State and local government agencies—to provide information which may constitute evidence of a violation of State or local law, for law enforcement purposes.

General Public—Registrant's Name, Selective Service Number, Date of Birth and Classification, Military Selective Service Act, Section 6, 50 U.S.C. App. 456.

Your failure to provide the required information may violate the Military Selective Service Act. Conviction of such violation may result in imprisonment for not more than five years or a fine of not more than $250,000 or both imprisonment and fine.



SELECTIVE SERVICE SYSTEM
P.O. BOX 4733
NORTH SUBURBAN, IL 60197-4733

SELECTIVE SERVICE SYSTEM

Telephone...1-800-621-5388

(DATE: )
431-35-6054

45065313R C50 000001

LINDSAY CALVIN JOHNSON
RT 1 FALL BRANCH RD
BLOUNTVILLE, TN 37617

Dear Mr. JOHNSON:

We previously advised you of the statutory requirement to register with the Selective Service System. After at least two prior letters from us, you have not registered, you have not provided proof that you are already registered, nor have you submitted proof that you are exempt from the registration requirement.

Accordingly, we have sent your name to the Department of Justice and requested that you be prosecuted for failure to register as required by the Military Selective Service Act. The maximum penalty for willful failure to register is a $250,000 fine, 5 years imprisonment, or both.

You may register or confirm that you have already registered by completing and signing Section A of the enclosed form and returning it to us in the envelope provided. If you claim to be exempt from the registration requirement, complete and sign Section B of the form and return it to us with the required proof. Write your Case Control Number, located below the date of this letter, on any letter or separate material that you send to us.

If you have a question about registration, you may contact us on our toll-free number: 1-800-621-5388.

IMPORTANT NOTE

Federal laws, and laws in some States, require men applying for some benefits or jobs (such as student financial aid, Federal employment, certain State jobs, job training, etc.) to have complied with the Selective Service registration requirement when they were of registration age in order to be eligible for those benefits or jobs. In addition to making a man subject to prosecution, failure to register may cause him to permanently forfeit eligibility for these benefits and jobs.

Sincerely,

Samuel K. Lessey Jr.

SAMUEL K. LESSEY JR.
Director

Enclosures

C50-MAR. 02. 88 43

## PRIVACY ACT STATEMENT

The Military Selective Service Act, Selective Service Regulations, and the President's Proclamation on Registration require that you provide the indicated information, including your Social Security Account Number.

The principal purpose of the required information is to establish or verify your registration with the Selective Service System. This information may be furnished to the following agencies for the purposes stated:

Department of Defense—for exchange of information concerning registration, classification, enlistment, examination and induction of individuals, and identification of prospects for recruiting.

Department of Transportation—for identification of recruiting prospects for the U.S. Coast Guard.

Alternative service employers—for exchange of information with employers regarding a registrant who is a conscientious objector for the purpose of placement and supervision of performance of alternative service in lieu of induction into military service.

Department of Justice—for review and processing violations of the Military Selective Service Act, or for perjury, and for defense of a civil action arising from administrative processing under such Act.

Federal Bureau of Investigation—for location of an individual when suspected of violation of the Military Selective Service Act.

Immigration and Naturalization Service—to provide information for use in determining an individual's eligibility for re-entry into the United States and United States citizenship.

Department of State—for determination of an alien's eligibility for possible entry into the United States and United States citizenship.

Office of Veterans' Reemployment Rights, United States Department of Labor—to assist veterans in need of information concerning reemployment rights.

Department of Health and Human Services—for location of parents pursuant to the Child Support Enforcement Act (42 U.S.C. 651 et seq.) and for determining the individual's proper Social Security Account Number when there appears to be a discrepancy.

State and local government agencies—to provide information which may constitute evidence of a violation of State or local law, for law enforcement purposes.

General Public—Registrant's Name, Selective Service Number, Date of Birth and Classification. Military Selective Service Act, Section 6, 50 U.S.C. App. 456.

Your failure to provide the required information may violate the Military Selective Service Act. Conviction of such violation may result in imprisonment for not more than five years or a fine of not more than $250,000 or both imprisonment and fine.

THURSDAY, FEBRUARY 22, 1990.

## THE AMERICAN BATTLE MONUMENTS COMMISSION

### WITNESSES

MAJOR GENERAL A.J. ADAMS, SECRETARY

COLONEL FREDERICK C. BADGER, DIRECTOR OF ENGINEERING AND MAINTENANCE

COLONEL CLAYTON L. MORAN, DIRECTOR OF PERSONNEL AND ADMINISTRATION

COLONEL WILLIAM E RYAN, JR., DIRECTOR OF OPERATIONS AND FINANCE

### INTRODUCTIONS

Mrs. BOGGS [presiding]. Good morning. The hearing will come to order. We are very pleased to have you with us, all of you, thank you very much for being here.

It is very, very nice to have you here, and we recognize that the fiscal year 1991 request for ABMC is $15,402,000. That compares with an appropriation of $15,532,000 in 1990, the full-time equivalent, and full-time permanent positions remain the same at 386.

So again, if you would like to proceed with your statement, we would be very happy to receive it.

### OPENING STATEMENT

General ADAMS. Thank you, Madam Chairwoman. I appreciate this opportunity to appear before you today in order to present the Appropriation Request of the American Battle Monuments Commission for fiscal year 1991.

Since our last appearance, we have had appointed to the commission three new Commissioners. They are Mr. Jack O. Guy from Georgia, Mr. Peter W. Senopoulos from Massachusetts, and Brigadier General Sudderth from New Hampshire. The new members replaced Mr. Bill Hickey from Massachusetts, Mr. Rexford Early from Indiana, and Mr. Joe Canzeri from Washington, D.C.

Last year, we had an unusually high turnover in personnel due primarily to retirements. All of the vacancies have been filled. We have seen a draft of new classification standards for cemetery supervisory personnel prepared by the Office of Personnel Management. If the draft is approved essentially as is written, there will be several upgrades in our positions.

During the troubles in Panama and the Philippines, our cemetery people performed in a really outstanding manner. There was little interruption in our operations. The interruptions that occurred were because the transportation which the people normally use to get to the cemetery was not always available.

The agreement between the United States government and that of the Philippines relative to the restoration work on Corregidor and the repair of the memorial there is still being negotiated. No action will be taken in this regard until the agreement is signed.

The preparatory work on the memorial at Guadalcanal is just being finished; we expect to order the stone for this memorial in the next two months.

The Korean War Memorial is progressing satisfactorily. About half of the funds required have been raised. Unfortunately, the response from corporate America has not been as great as we anticipated, but we will do our best to get the balance needed by October 1991, when the authority for establishment of the memorial expires if requisite funds are not on hand.

In conjunction with the Eisenhower Centennial Foundation, we plan to celebrate the 100th anniversary of President Eisenhower's birthday during 1990 Memorial Day and Veterans' Day exercises. In addition, we will have a wreath laying ceremony and reading of an anticipated Presidential proclamation on October the 14th, 1990.

Our normal everyday maintenance has been, and is being performed in a satisfactory manner. However, many maintenance, repair, replacement and improvement projects have been postponed. Our backlog of these projects is about $7 million. If we can assume that there will be no benefit and pay increases in fiscal year 1991, that there be no further inflation, and that the rate of exchange will be close to the budgeted rate, then our appropriations request for $15,402,000 will be sufficient for normal operations in our cemeteries.

This concludes my statement, and I will be glad to respond to your questions.

[The prepared statement of General Adams follows:]

# BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON HOUSING AND URBAN DEVELOPMENT AND INDEPENDENT AGENCIES

Mr. Chairman and Members of the Subcommittee:

I wish to thank you for the opportunity to testify today in support of the American Battle Monuments Commission's fiscal 1991 Appropriation Request.

The past year, fiscal 1989, was very turbulent for the Commission from a personnel standpoint. The services of almost 10% of our experienced U.S. supervisory personnel were lost to us, primarily through retirements. In order to replace them and reach authorized manning levels, it was necessary to hire trainees equivalent in numbers to 12% of our supervisory staff. These changes generated a 40% turnover in cemetery leadership during the past year. Because of the special qualifications required of our cemetery supervisory personnel, the large turnover necessitated an unusually intensive training effort in order to ensure continued maintenance of our high standards.

The Commission's cemetery supervisory personnel visibly represent this country's past support of freedom on behalf of the host nations and are largely responsible for the high standards of care for which these shrines are well-known. It is important that the special qualifications required of them receive recognition through the classification standards for their positions. Last year, the current Office of Personnel Management (OPM) classification standards for the Cemetery Administrative series, GS 1630 were reviewed. Several positions were upgraded to conform to the additional responsibilities accruing to them over the years. We have learned that new classification standards for these positions are soon to be issued, and are prepared to revise the position descriptions of our superintendent personnel in accordance with the new OPM standards. Based on preliminary estimates, it appears that many of our superintendent positions, which are manned by truly knowledgeable, efficient, and dedicated employees, will be upgraded in order to give proper recognition to their sensitive and important role of representing the United States overseas at these unique and honored shrines.

The overall care of the cemeteries and memorials for which this Commission is responsible has been hampered for several years by insufficient funds for contractual maintenance and repairs, equipment replacement and capital improvements.
On an average, about $1,900,000 are required annually for

these purposes in order to maintain parity, not including funds appropriated for new memorials such as the Korean War Veterans Memorial (see chart attached). Despite fund shortages, the general condition of the horticulture at ABMC installations is excellent. Last year very high winds in France and England toppled trees and damaged headstones and a typhoon in the Philippines caused similar damage to the Manila American Cemetery and Memorial. All of this damage has been repaired and the trees replaced.

With over 67 miles of roads and paths to maintain, the Commission must give them constant attention in order to preclude major problems. Potholes are repaired when they are found. Both the European Office and the Manila Cemetery have small rollers for compacting asphalt enabling such repairs to be performed in-house. ABMC has a program of sealing the surfaces of the asphalt roads and paths at five year intervals which minimizes the occurrence of major problems.

Most problems with the many structures maintained by ABMC are caused by water penetration and air pollutants. Both cause unsightly stains and can cause considerable damage. Air pollutants also are often damaging to sculpture and headstones. In high pollution areas, it is necessary to clean, pumice and silicone thousands of headstones quarterly in order to protect them from the eroding effects of air pollution. Frequent inspections are conducted so that problems of this nature are detected and taken care of before they become major.

In so far as practicable, the cemeteries have been made self-sustaining with respect to utilities for economy and other reasons. Many have their own wells, waste disposal facilities, and backup power generators. For example, during the recent coup attempt in the Philippines, all municipal electric power in the vicinity of the Manila American Cemetery was cut off for an extended period of time. Fortunately, through the use of its backup generators, the cemetery was able to maintain normal operations.

New construction and capital improvements have been quite limited due to the austerity of funding brought about by this country's large annual budget deficits. Presently, ABMC has a backlog of $4 million dollars in capital improvement projects. Despite the limited availability of funds for this purpose, last year it was necessary for us to replace the deep well at the Lorraine American Cemetery and Memorial at a cost of $132,000. The new well will provide us with adequate water there at a considerable saving over municipal sources.

Last year, ABMC and the Army Corps of Engineers conducted an open competition to select a design concept for the Korean War Veterans Memorial. The 1,019 registered entrants submitted 545 concepts. In accordance with Public Law 99-572, the Korean War Veterans Memorial Advisory Board selected the winner of the competition, an architectural team from Pennsylvania State University. The concept has been approved by this Commission and the other Commissions whose approval is required by law. The Architecture-Engineer firm of Cooper-Lecky has been selected to implement the design. The contract for converting the design concept into working drawings and specifications is being negotiated with the firm by the Army Corps of Engineers acting as ABMC's agent. Private contributions to construct the memorial now total $4.5 million. It appears that a total of $9 million will be needed to complete the project.

Sec. 1601 of Public Law 100-687 charges ABMC with restoration, operation and maintenance of the Pacific War Memorial and other historical sites on Corregidor, subject to ratification of an agreement between the United States and the Republic of the Philippines. The agreement is being held up because of lack of accord between the two nations concerning its duration. Although ABMC would prefer free use in perpetuity of the memorial area and other historical sites without charge or taxation, it has reluctantly concurred with a twenty-five year renewable agreement. The Republic of the Philippines, however, has not yet agreed.

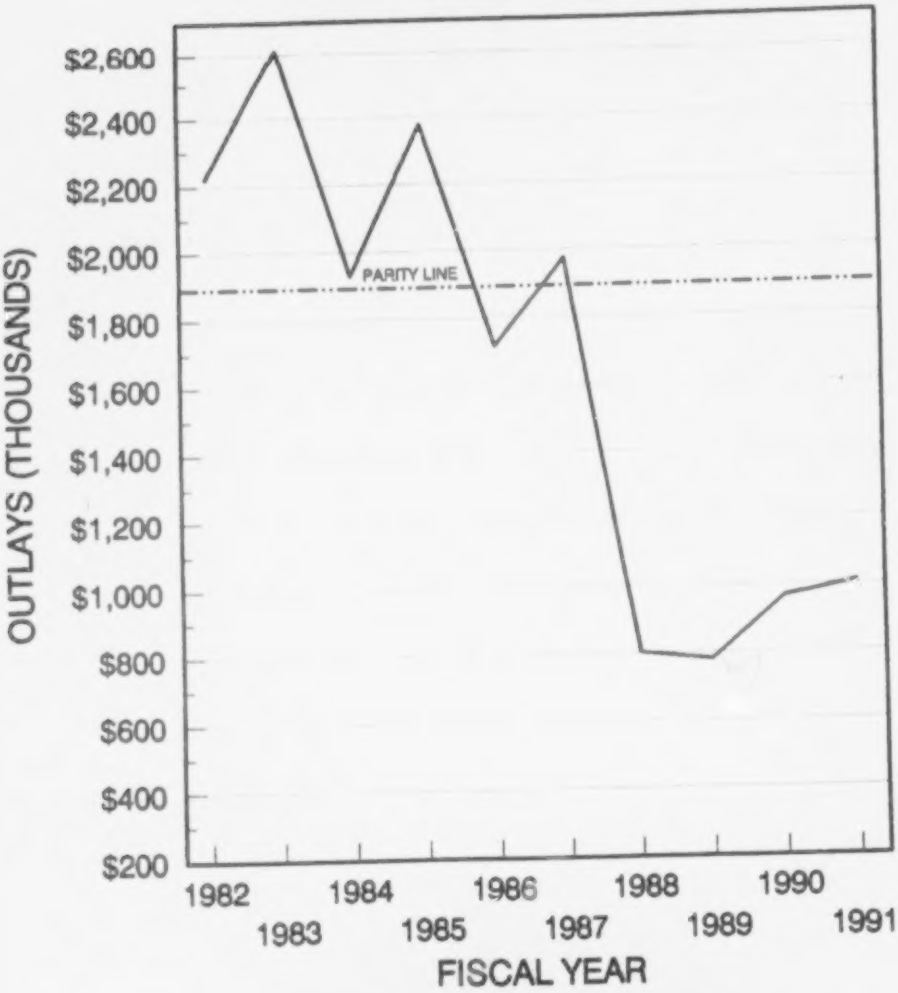
As 1990 is the centennial year of President Eisenhower's birth, this Commission plans to reference the Centennial during the 1990 Memorial and Veterans Day ceremonies at its installations and to conduct a special wreath laying ceremony and reading of an anticipated Presidential Proclamation concerning it on Sunday, October 14, 1990, the 100th anniversary of his birth. This Commission also is working closely with the Office of the American Bicentennial of the U.S. Constitution and will provide such support as it may request in the celebration of this special event. ABMC proudly notes that President Eisenhower, while a Major, USA, served as a member of the Commission's military staff in 1927, 1928 and 1929.

For many years, ABMC received the funds needed to offset annual increases in salaries and personnel benefits by means of a supplemental appropriation for the year concerned. This procedure caused somewhat of a problem as it was necessary each year to defer maintenance and repair projects and equipment replacement equivalent to the amount of the pay and benefit increases, until such time as the supplemental appropriation was enacted. The current cost of pay and benefit increases is $400-500 thousand annually. In recent years, the policy of the Congress and the Administration has been that there would not be any supplemental appropriations. I cannot emphasize too strongly that ABMC cannot absorb annual costs of such magnitude and still maintain adequately the shrines for which it is responsible. Had it not been for the foresight of the Congress in increasing ABMC's fiscal 1990 Appropriation Request, it would not be possible to meet all of our payrolls or to maintain the cemeteries and memorials at an acceptable level.

This Commission's fiscal 1991 Appropriation Request for Salaries and Expenses is $15,402,000, $130,000 less than fiscal 1990. This concludes my prepared statement. We will be pleased to respond to your questions.

## ABMC OUTLAYS FY 1982-1989
## BUDGETED FY 1990 & 1991

### OBJECT CLASSES 25, 31, & 32



**FY 1989 and FY 1990 does not include $500 thousand for the Korean War Veterans Memorial.**

### PRESIDENT EISENHOWER

Mrs. **Boggs**. Thank you very much. I was interested to see in your statement that President Eisenhower had served on military staff for the commission for several years.

General **Adams**. Yes, ma'am.

Mrs. **Boggs**. So it is of special pride for his centennial year. Again, as you point out in your statement, the 1991 request, although less than 1990, is partly reflective of the fact that the Congress provided an additional $1 million before sequestration last year; is that correct?

General **Adams**. That is correct.

### CURRENCY EXCHANGE

Mrs. **Boggs**. Now, my recollection is that the additional $1 million was provided to offset what you and your staff indicated to us would be the loss of funds in the foreign currency fluctuation account, which you expected to lapse, owing to a glitch in the legislation. But do I understand correctly that those funds actually didn't lapse?

General **Adams**. No, I don't believe they did.

Colonel **Ryan**. That is correct.

Mrs. **Boggs**. What is the total amount of dollars currently available in the foreign currency fluctuation account?

General **Adams**. It is $1,290,000.

Mrs. **Boggs**. Have you had to draw down any of those dollars during fiscal year 1990, and if so, how much?

General **Adams**. 1990, no ma'am.

Colonel **Ryan**. The authorizing legislation prescribes that we adjust on a quarterly basis and we have just completed our first quarter. There is a small quarterly surplus overall. However, if the dollar stays where it is now around 5.70 francs per dollar—we budgeted at 6.01—the fund will be drawn down very rapidly.

Mrs. **Boggs**. Is the 1991 request based on the assumption that the value of the dollar will hold at its current level or be somewhat higher or somewhat lower?

Colonel **Ryan**. We had expected it to be higher. We budgeted at 6.25, which was the average rate at budget time, but it is running now about 5.70, so the exchange rate has gone way down.

### KOREAN WAR VETERANS MEMORIAL

Mrs. **Boggs**. Last year, on page 5 of the hearings, you indicated that $6 million was required for construction of the Korean War Veterans' Memorial. At that time you had raised about $3 million, and your statement indicates that you have now raised about $4 million. However, now you are telling us the memorial would cost as much as $9 million. What accounts for the difference?

General **Adams**. Regretfully, now we must tell you the total cost will probably be $11 million. That is because of the high cost of the design selected by the Korean War Veterans Memorial Advisory Board, which was approved by this Commission, the Fine Arts Commission and National Capital Planning Commission, plus inflation in construction costs.

We feel now that the construction costs will be about $9 million, plus 10 percent that will go to the Department of Interior for maintenance and 10 percent for the architects and engineering. It will cost almost $11 million, and we only have about 4½ million at this time plus an appropriation of $1 million.

Mrs. BOGGS. Last year Colonel Ryan indicated that the ABMC must have all the requisite funds for construction and maintenance on deposit in the Treasury, then estimated it at $5½ million before construction could be initiated. I take it that means you can't start construction on the Korean War Veterans' Memorial until you have something like $9 million on deposit?

General ADAMS. That is correct. In fact, $900,000 also must be on deposit with the Department of the Interior for future maintenance before construction can commence.

Mrs. BOGGS. An architectural team from Penn State University won the design competition.

General ADAMS. Yes, ma'am.

Mrs. BOGGS. And you selected the A&E firm, Cooper-Lecky to implement the design.

General ADAMS. That is right.

Mrs. BOGGS. When do you expect the working drawings to be completed?

Colonel BADGER. It will be about a year from now. We are still in the negotiating stages. We have not yet signed a contract, but when we do, it will take approximately one more year for the design to be completed.

Mrs. BOGGS. Mr. Green, you may come in any time you wish.

Mr. GREEN. Thank you.

### REGRADING OF CEMETERY SUPERINTENDENT POSITIONS

Mrs. BOGGS. We note with interest in your statement the fact that the Office of Personnel Management has reviewed the classification standards for a number of your cemetery superintendent positions to which you referred to in your testimony. You indicate that these positions "will be upgraded in order to give proper recognition to their sensitive and important role of representing the United States overseas; at these unique and honored shrines."

We are glad that you take that view, because although you don't state it in your formal remarks, this committee had a great deal to do with getting that ball rolling, as you remember. I take it you are aware of that.

General ADAMS. Yes, ma'am.

Mrs. BOGGS. When do you expect that these jobs will be reclassified, and will you provide for the record by cemetery those superintendents who will be upgraded, and from what grade to what grade?

General ADAMS. That information will not be available in sufficient time for placement in the record. However, we will furnish it to the Subcommittee as soon as it is available.

### BACKLOG OF MAINTENANCE PROJECTS

Mrs. BOGGS. You indicate that because of an ongoing problem throughout the government, namely not being granted sufficient funds for pay cost increases, that you have had to cut back on normal maintenance of our cemeteries. I believe you suggest that the current backlog of required maintenance is about $4 million; is that correct?

Colonel **Badger**. It is $7 million total, about $4 million for improvements, and the $3 million for maintenance.

Mrs. **Boggs**. Could you provide us with a list that makes up the $7 million by cemetery?

Colonel **Badger**. Yes, ma'am.

Mrs. **Boggs**. And we would like you to rank in priority order how you would spend funds from zero up to the $7 million, should we be able to find any extra money.

General **Adams**. Yes, ma'am.

[The information follows:]

AMERICAN BATTLE MONUMENTS COMMSSION

DEFERRED PROJECTS IN PRIORITY

| Prior | Cemetery/Memorial | Project | O.C.25 | O.C.32 | CUM Total |
|---|---|---|---|---|---|
| 1 | Brittany Cemetery | Rewire Memorial & pumping station | $14,000 | $0 | $14,000 |
| 2 | Aisne-Marne Cemetery | Install curbs, entrance gate | $0 | $6,000 | $20,000 |
| 3 | Henri Chapelle Cemetery | Reconstruct entrance wall | $15,000 | $0 | $35,000 |
| 4 | Lorraine Cemetery | Repaint Fillod building | $12,000 | $0 | $47,000 |
| 5 | Henri-Chapelle Cemetery | Install city water | $0 | $6,000 | $53,000 |
| 6 | Flanders Field Cemetery | Rewire Visitors' Building/qtrs | $3,000 | $0 | $56,000 |
| 7 | Epinal Cemetery | Repair cemetery pools | $5,000 | $0 | $61,000 |
| 8 | Kemmel Memorial | Repoint memorial terrace | $9,000 | $0 | $70,000 |
| 9 | Luxembourg Cemetery | Regild Cross and candelabras | $5,000 | $0 | $75,000 |
| 10 | Luxembourg Cemetery | Re-enamel arrows on battle maps | $15,000 | $0 | $90,000 |
| 11 | Meuse Argonne Cemetery | Clean and treat Memorial | $25,000 | $0 | $115,000 |
| 12 | Meuse Argonne Cemetery | Repair flagpole stone bases | $14,000 | $0 | $129,000 |
| 13 | Meuse Argonne Cemetery | Replace garage furnace | $5,000 | $0 | $134,000 |
| 14 | Montsec Memorial | Rehabilitate battle maps | $12,000 | $0 | $146,000 |
| 15 | Normandy Cemetery | Resurface cemetery paths | $95,000 | $0 | $241,000 |
| 16 | Pointe du Hoc Memorial | Reconstruct parking area | $40,000 | $0 | $281,000 |
| 17 | Saint Mihiel Cemetery | Install storm windows visit & off | $0 | $8,000 | $289,000 |
| 18 | Surresne Cemetery | Reconstruct Memorial terrace | $83,000 | $0 | $372,000 |
| 19 | Utah Beach Memorial | Install sprinkler system | $0 | $4,000 | $376,000 |
| 20 | Luxembourg Cemetery | Rehabilitate Asst Supt's bathroom | $0 | $4,000 | $380,000 |
| 21 | Ardennes Cemetery | Replace Memorial heating system | $9,000 | $0 | $389,000 |
| 22 | Cambridge Cemetery | Enclose compost shed | $0 | $9,000 | $398,000 |
| 23 | Epianl Cemetery | Repair Memorial roof and gutters | $9,000 | $0 | $407,000 |
| 24 | Epianl Cemetery | Repair perimeter wall coping | $33,000 | $0 | $440,000 |
| 25 | Henri-Chapelle Cemetery | Extend refectory building | $0 | $12,000 | $452,000 |
| 26 | Lorraine Cemetery | Repair east cemetery fence | $10,000 | $0 | $462,000 |
| 27 | Netherlands Cemetery | Instl rolling shutters both qtrs | $0 | $8,000 | $470,000 |
| 28 | Netherlands Cemetery | Replace windows, both quarters | $21,000 | $0 | $491,000 |
| 29 | Oise-Aisne Cemetery | Replace Memorial broken stones | $6,000 | $0 | $497,000 |
| 30 | Suresnes Cemetery | Resurface and widen paths | $50,000 | $0 | $547,000 |
| 31 | Suresnes Cemetery | Relocate gasoline pump | $15,000 | $0 | $562,000 |
| 32 | Suresnes Cemetery | Relevel headstone beams | $30,000 | $0 | $592,000 |
| 33 | Rhone Cemetery | Rewire Memorial | $5,000 | $0 | $597,000 |
| 34 | Corozal Cemetery | Improve grass Phase IV of VI | $0 | $35,000 | $632,000 |
| 35 | Meuse Argonne Cemetery | Replace furnace, both quarters | $7,000 | $0 | $639,000 |
| 36 | Meuse Argonne Cemetery | Resurface walks east/west pylons | $8,000 | $0 | $647,000 |
| 37 | Mountfaucon Memorial | Resurface access road | $5,000 | $0 | $652,000 |
| 38 | Lorraine Cemetery | Rewire Memorial | $12,000 | $0 | $664,000 |
| 39 | Lorraine Cemetery | Replace shutters, both quarters | $20,000 | $0 | $684,000 |
| 40 | Luxembourg Cemetery | Resurface service roads | $45,000 | $0 | $729,000 |
| 41 | Flanders Field Cemetery | Install auto sprinkler system | $0 | $35,000 | $764,000 |
| 42 | Epinal Cemetery | Rehabilitate gilded features | $3,000 | $0 | $767,000 |
| 43 | Cambridge Cemetery | Rewire Visitors' Bldg & Memorial | $8,000 | $0 | $775,000 |
| 44 | Brittany Cemetery | Renovate water supply system | $20,000 | $0 | $795,000 |
| 45 | Brittany Cemetery | Install new sprinkler system | $0 | $150,000 | $945,000 |
| 46 | Lorraine Cemetery | Rewire Chapel | $3,000 | $0 | $948,000 |
| 47 | Saint Mihiel Cemetery | Construct new service area | $0 | $100,000 | $1,048,000 |
| 48 | Brest Memorial | Install sprinkler system | $0 | $20,000 | $1,068,000 |
| 49 | Saint Mihiel Cemetery | Install new sprinkler pumps | $0 | $70,000 | $1,138,000 |
| 50 | Ardennes Cemetery | Replace furnaces, both quarters | $4,000 | $0 | $1,142,000 |
| 51 | Ardennes Cemetery | Regild Alter cross | $4,000 | $0 | $1,146,000 |
| 52 | Aisne-Marne Cemetery | Construct water treatment plant | $0 | $25,000 | $1,171,000 |
| 53 | Aisne-Marne Cemetery | Reconstruct main entrance paths | $22,000 | $0 | $1,193,000 |
| 54 | Brookwood Cemetery | Rehabilitate Supt's quarters | $0 | $10,000 | $1,203,000 |

## AMERICAN BATTLE MONUMENTS COMMSSION

## DEFERRED PROJECTS IN PRIORITY

| Prior | Cemetery/Memorial | Project | O.C.25 | O.C.32 | CUM Total |
|---|---|---|---|---|---|
| 55 | Rhone Cemetery | Repoint Wall of Missing | $9,000 | $0 | $1,212,000 |
| 56 | Netherlands Cemetery | Repair foor, both quarters | $25,000 | $0 | $1,237,000 |
| 57 | Montsec Memorial | Resurface memorial landing steps | $15,000 | $0 | $1,252,000 |
| 58 | Luxembourg Cemetery | Regild entrance gate | $12,000 | $0 | $1,264,000 |
| 59 | Lorraine Cemetery | Replace garage and workshop doors | $3,000 | $0 | $1,267,000 |
| 60 | Lorraine Cemetery | Resurface paths, Memorial area | $55,000 | $0 | $1,322,000 |
| 61 | Epinal Cemetery | Renovate Asst Supt's bathroom | $0 | $4,000 | $1,326,000 |
| 62 | Chateau Thierry Memoria | Replace windows & grills | $3,000 | $0 | $1,329,000 |
| 63 | Cambridge Cemetery | Storm windows, Asst Supt's qtrs | $0 | $9,000 | $1,338,000 |
| 64 | Ardennes Cemetery | Repolish memorial maps | $8,000 | $0 | $1,346,000 |
| 65 | Ardennes Cemetery | Rehabilitate bathrooms, both qtrs | $0 | $13,000 | $1,359,000 |
| 66 | Ardennes Cemetery | Instl storm windows, Supt's qtrs | $0 | $6,000 | $1,365,000 |
| 67 | Ardennes Cemetery | Enclose Supt's back porch | $0 | $3,000 | $1,368,000 |
| 68 | Cambridge Cemetery | Insulate attic, both quarters | $0 | $9,000 | $1,377,000 |
| 69 | Epinal Cemetery | Improve employee's lunchroom | $0 | $3,000 | $1,380,000 |
| 70 | Meuse Argonne Cemetery | Replace sprinkler pump | $9,000 | $0 | $1,389,000 |
| 71 | Netherlands Cemetery | Repair Memorial flagstone steps | $12,000 | $0 | $1,401,000 |
| 72 | Suresnes Cemetery | Repolish Memorial marble walls | $10,000 | $0 | $1,411,000 |
| 73 | Somme Cemetery | Repaint flagpole | $12,000 | $0 | $1,423,000 |
| 74 | Somme Cemetery | Install shutters, Visitors' bldg | $0 | $9,000 | $1,432,000 |
| 75 | Netherlands Cemetery | Clean and treat Memorial | $99,000 | $0 | $1,531,000 |
| 76 | Lorraine Cemetery | Install storm windows, both qtrs | $0 | $17,000 | $1,548,000 |
| 77 | Lorraine Cemetery | Repl kitchen cabinets both qtrs | $15,000 | $0 | $1,563,000 |
| 78 | Henri-Chapelle Cemetery | Construct visitors room & office | $0 | $21,000 | $1,584,000 |
| 79 | Henri-Chapelle Cemetery | Repair colonnade ceiling | $25,000 | $0 | $1,609,000 |
| 80 | Epinal Cemetery | Rehabilitate Asst Supt's quarters | $0 | $6,000 | $1,615,000 |
| 81 | Chateau-Thierry Memoria | Install electricity | $0 | $8,000 | $1,623,000 |
| 82 | Ardennes Cemetery | Relevel lawn and install drainage | $0 | $18,000 | $1,641,000 |
| 83 | Ardennes Cemetery | Repair roofs, five buildings | $12,000 | $0 | $1,653,000 |
| 84 | Henri-Chapelle Cemetery | Rehabilitate public toilets | $18,000 | $0 | $1,671,000 |
| 85 | Meuse Argonne Cemetery | Replace Visitors' bldg roof tiles | $20,000 | $0 | $1,691,000 |
| 86 | Oise-Aisne Cemetery | Resurface washrack, service area | $3,000 | $0 | $1,694,000 |
| 87 | Cambridge Cemetery | Install new sprinkler system | $0 | $150,000 | $1,844,000 |
| 88 | Utah Beach Memorial | Resurface esplanade | $5,000 | $0 | $1,849,000 |
| 89 | Rhone Cemetery | Repair retaining wall | $20,000 | $0 | $1,869,000 |
| 90 | Ardennes Cemetery | Resurface service roads | $0 | $20,000 | $1,889,000 |
| 91 | Ardennes Cemetery | Repair cracked Memorial window | $6,000 | $0 | $1,895,000 |
| 92 | Brittany Cemetery | Construct workshop in garage | $0 | $20,000 | $1,915,000 |
| 93 | Ardennes Cemetery | Repair east service road ditch | $9,000 | $0 | $1,924,000 |
| 94 | Somme Cemetery | Repair north east Chapel wall | $15,000 | $0 | $1,939,000 |
| 95 | Suresnes Cemetery | Regild main entrance gate | $12,000 | $0 | $1,951,000 |
| 96 | Somme Cemetery | Repair Visitors bldg/Qtrs windows | $12,000 | $0 | $1,963,000 |
| 97 | Somme Cemetery | Rebronze antique green features | $5,000 | $0 | $1,968,000 |
| 98 | Somme Cemetery | Install storm drain, service area | $0 | $12,000 | $1,980,000 |
| 99 | Corozal Cemetery | Install intrusion alarm | $0 | $10,000 | $1,990,000 |
| 100 | Brittany Cemetery | Repair terrace stone slabs | $7,000 | $0 | $1,997,000 |
| 101 | Ardennes Cemetery | Install auto sprinkler system | $0 | $100,000 | $2,097,000 |
| 102 | Brookwood Cemetery | Rebuild flagpole stone base | $4,000 | $0 | $2,101,000 |
| 103 | Brookwood Cemetery | Relevel paths and curbstones | $20,000 | $0 | $2,121,000 |
| 104 | Brest Memorial | Resurface memorial terrace | $20,000 | $0 | $2,141,000 |
| 105 | Cambridge Cemetery | Resurface main entrance way | $8,000 | $0 | $2,149,000 |
| 106 | Cambridge Cemetery | Relevel west Memorial sidewalk | $40,000 | $0 | $2,189,000 |
| 107 | Luxembourg Cemetery | Rewire both quarters | $8,000 | $0 | $2,197,000 |
| 108 | Mexico City Cemetery | Repair crypts | $15,000 | $0 | $2,212,000 |

## AMERICAN BATTLE MONUMENTS COMMISSION

## DEFERRED PROJECTS IN PRIORITY

| Prior | Cemetery/Memorial | Project | O.C.25 | O.C.32 | CUM Total |
|---|---|---|---|---|---|
| 109 | Netherlands Cemetery | Resurface Court of Honor | $65,000 | $0 | $2,277,000 |
| 110 | Oise-Aisne Cemetery | Repair service bldg roof tiles | $9,000 | $0 | $2,286,000 |
| 111 | Pointe du Hoc Memorial | Construct sewage plant | $0 | $35,000 | $2,321,000 |
| 112 | Rhone Cemetery | Instl ventilation Wall of Missing | $0 | $9,000 | $2,330,000 |
| 113 | Brittany Cemetery | Rehab river pumping station | $20,000 | $0 | $2,350,000 |
| 114 | Garches Office | Extend parking, Garches | $0 | $10,000 | $2,360,000 |
| 115 | Suresnes Cemetery | Paint perimeter fence | $60,000 | $0 | $2,420,000 |
| 116 | Ardennos Cemetery | Install ventilation, pump room | $0 | $7,000 | $2,427,000 |
| 117 | Cambridge Cemetery | Refurbish Visitors' Building | $3,000 | $0 | $2,430,000 |
| 118 | Chateau-Thierry Memoria | Renovate basement rooms | $0 | $14,000 | $2,444,000 |
| 119 | Cantigny Memorial | Replace perimeter fence | $5,000 | $0 | $2,449,000 |
| 120 | Flanders Field Cemetery | Repl Visit bldg windows/shutters | $8,000 | $0 | $2,457,000 |
| 121 | Lorraine Cemetery | Install floor tile, workshop | $0 | $3,000 | $2,460,000 |
| 122 | Lorraine Cemetery | Insulate toilet building | $0 | $6,000 | $2,466,000 |
| 123 | Meuse Argonne Cemetery | Rewire all buildings | $40,000 | $0 | $2,506,000 |
| 124 | Netherlands Cemetery | Resurface perimeter road | $15,000 | $0 | $2,521,000 |
| 125 | Luxembourg Cemetery | Replace furnace, Asst Supt's qtrs | $4,000 | $0 | $2,525,000 |
| 126 | Lorraine Cemetery | Resurface service area | $9,000 | $0 | $2,534,000 |
| 127 | Rhone Cemetery | Instl rolling doors service bldg | $0 | $5,000 | $2,539,000 |
| 128 | Suresnes Cemetery | Clean and treat Visit Bldg walls | $10,000 | $0 | $2,549,000 |
| 129 | Ardennes Cemetery | Rewire all buildings | $15,000 | $0 | $2,564,000 |
| 130 | Cambridge Cemetery | Clean and treat Memorial | $65,000 | $0 | $2,629,000 |
| 131 | Epinal Cemetery | Pave cemetery paths with hot mix | $0 | $125,000 | $2,754,000 |
| 132 | Henri-Chapelle Cemetery | Rewire all buildings | $40,000 | $0 | $2,794,000 |
| 133 | Lorraine Cemetery | Repoint Memorial steps | $18,000 | $0 | $2,812,000 |
| 134 | Lorraine Cemetery | Enlarge office | $0 | $55,000 | $2,867,000 |
| 135 | Netherlands Cemetery | Install auto sprinkler system | $0 | $140,000 | $3,007,000 |
| 136 | Somme Cemetery | Install new sprinkler system | $0 | $60,000 | $3,067,000 |
| 137 | Mexico City Cemetery | Replace garage doors | $4,000 | $0 | $3,071,000 |
| 138 | Oise-Aisne Cemetery | Replace Fillod building | $50,000 | $0 | $3,121,000 |
| 139 | Pointe du Hoc Memorial | Construct new toilets | $0 | $50,000 | $3,171,000 |
| 140 | Pointe du Hoc Memorial | Construct service building | $0 | $190,000 | $3,361,000 |
| 141 | Rhone Cemetery | Repair qtrs & service bldg roofs | $11,000 | $0 | $3,372,000 |
| 142 | Normandy Cemetery | Install six stone benches | $0 | $4,000 | $3,376,000 |
| 143 | Suresnes Cemetery | Repaint flagpoles | $3,000 | $0 | $3,379,000 |
| 144 | Suresnes Cemetery | Repair Superintendent's driveway | $25,000 | $0 | $3,404,000 |
| 145 | Somme Cemetery | Insulate quarters attic | $0 | $2,000 | $3,406,000 |
| 146 | Saint Mihiel Cemetery | Repr roof & enclose compost shed | $0 | $15,000 | $3,421,000 |
| 147 | Rhone Cemetery | Extend parking area | $0 | $3,000 | $3,424,000 |
| 148 | Epinal Cemetery | Replace roof tiles, both quarters | $20,000 | $0 | $3,444,000 |
| 149 | Luxembourg Cemetery | Protect Memorial door panels | $0 | $9,000 | $3,453,000 |
| 150 | Meuse Argonne Cemetery | Repair curbstones, Chapel road | $4,000 | $0 | $3,457,000 |
| 151 | Meuse Argonne Cemetery | Extend curbing, nursery road | $0 | $4,000 | $3,461,000 |
| 152 | Brittany Cemetery | Repl insulation, Visitors' bldg | $3,000 | $0 | $3,464,000 |
| 153 | Suresnes Cemetery | Extend Superintendent's office | $0 | $55,000 | $3,519,000 |
| 154 | Brittany Cemetery | Install qtrs & visit storm window | $0 | $9,000 | $3,528,000 |
| 155 | Cambridge Cemetery | Rehab Visitors' bldg toilets | $0 | $3,000 | $3,531,000 |
| 156 | Epinal Cemetery | Repair flagpole stone base | $18,000 | $0 | $3,549,000 |
| 157 | Henri-Chapelle Cemetery | Insulate attic, Asst Supt's qtrs | $0 | $4,000 | $3,553,000 |
| 158 | Lorraine Cemetrey | Construct ceiling in garage | $0 | $7,000 | $3,560,000 |
| 159 | Lorraine Cemetery | Refurbish bronze, Memorial window | $18,000 | $0 | $3,578,000 |
| 160 | Luxembourg Cemetery | Improve attic, Asst Supt's qtrs | $0 | $4,000 | $3,582,000 |
| 161 | Luxembourg Cemetery | Replace carpeting, both quarters | $5,000 | $0 | $3,587,000 |
| 162 | Luxembourg Cemetery | Replace telephone system | $4,000 | $0 | $3,591,000 |

## AMERICAN BATTLE MONUMENTS COMMSSION

## DEFERRED PROJECTS IN PRIORITY

| Prior | Cemetery/Memorial | Project | O.C.25 | O.C.32 | CUM Total |
|---|---|---|---|---|---|
| 163 | Mountfaucon Memorial | Reinforce Church arches | $10,000 | $0 | $3,601,000 |
| 164 | Netherlands Cemetery | Improve attic, Asst Supt's qtrs | $0 | $3,000 | $3,604,000 |
| 165 | Normandy Cemetery | Install storm windows, both qtrs | $0 | $8,000 | $3,612,000 |
| 166 | Oise-Aisne Cemetery | Replace river pump station | $0 | $15,000 | $3,627,000 |
| 167 | Suresnes Cemetery | Install Chapel floodlights | $0 | $3,000 | $3,630,000 |
| 168 | Brookwood Cemetery | Enclose compost shed | $0 | $5,000 | $3,635,000 |
| 169 | Brittany Cemetery | Install dormer windows, both qtrs | $0 | $18,000 | $3,653,000 |
| 170 | Lorraine Cemetery | Resurface Visitors bldg sidewalk | $6,000 | $0 | $3,659,000 |
| 171 | Rhone Cemetery | Install boundary fence | $0 | $10,000 | $3,669,000 |
| 172 | Rhone Cemetery | Resurface parking area | $16,000 | $0 | $3,685,000 |
| 173 | Rhone Cemetery | Repair west boundary wall | $7,000 | $0 | $3,692,000 |
| 174 | Oise-Aisne Cemetery | Repoint Memorial rear joints | $6,000 | $0 | $3,698,000 |
| 175 | Oise-Aisne Cemetery | Replace window frames, Visit bldg | $3,000 | $0 | $3,701,000 |
| 176 | Normandy Cemetery | Restore Visitors' Building, Ph II | $0 | $24,000 | $3,725,000 |
| 177 | Meuse Argonne Cemetery | Modify sprilkler system | $0 | $50,000 | $3,775,000 |
| 178 | Corozal Cemetery | Reinforce maintenance building | $35,000 | $0 | $3,810,000 |
| 179 | Luxembourg Cemetery | Install auto sprinkler system | $0 | $150,000 | $3,960,000 |
| 180 | Henri-Chapelle Cemetery | Install auto sprinkler system | $0 | $150,000 | $4,110,000 |
| 181 | Suresnes Cemetery | Install spot lights in Chapel | $0 | $3,000 | $4,113,000 |
| 182 | Suresnes Cemetery | Extend service area platform | $0 | $4,000 | $4,117,000 |
| 183 | Suresnes Cemetery | Paint & regild Memorial ironwork | $8,000 | $0 | $4,125,000 |
| 184 | Meuse Argonne Cemetery | Move refectory upstairs | $0 | $8,000 | $4,133,000 |
| 185 | Aisne-Marne Cemetery | Construct stairs to basement | $0 | $25,000 | $4,158,000 |
| 186 | Ardennes Cemetery | Improve attics, both quarters | $0 | $8,000 | $4,166,000 |
| 187 | Ardennes Cemetery | Constr security exit, refectory | $0 | $3,000 | $4,169,000 |
| 188 | Ardennes Cemetery | Restore Memorial steel doors | $15,000 | $0 | $4,184,000 |
| 189 | Brittany Cemetery | Resurface service roads | $15,000 | $0 | $4,199,000 |
| 190 | Honolulu Memorial | Repoint Memorial | $35,000 | $0 | $4,234,000 |
| 191 | Henri-Chapelle Cemetery | Resurface roads and paths | $60,000 | $0 | $4,294,000 |
| 192 | Lorraine Cemetery | Improve attic, Asst Supt's qtrs | $0 | $9,000 | $4,303,000 |
| 193 | Netherlands Cemetery | Repair bronze statues stone bases | $8,000 | $0 | $4,311,000 |
| 194 | Normandy Cemetery | Clean and treat Chapel | $12,000 | $0 | $4,323,000 |
| 195 | Somme Cemetery | Repaint fence | $90,000 | $0 | $4,413,000 |
| 196 | Brittany Cemetery | Improve attic, both quarters | $0 | $9,000 | $4,422,000 |
| 197 | Cambridge Cemetery | Insulate and heat exterior toilet | $0 | $9,000 | $4,431,000 |
| 198 | Pointe du Hoc Memorial | Pave footpaths | $0 | $12,000 | $4,443,000 |
| 199 | Henri-Chapelle Cemetery | Rebuild storage building roof | $60,000 | $0 | $4,503,000 |
| 200 | Corozal Cemetery | Improve grass phase VI of VI | $0 | $45,000 | $4,548,000 |
| 201 | Luxembourg Cemetery | Install grills, entrance gate | $0 | $4,000 | $4,552,000 |
| 202 | Netherlands Cemetery | Construct new toilets | $0 | $135,000 | $4,687,000 |
| 203 | Lorraine Cemetery | Enclose compost shed | $0 | $6,000 | $4,693,000 |
| 204 | Sommepy Memorial | Construct road and parking lot | $0 | $20,000 | $4,713,000 |
| 205 | Meuse Argonne Cemetery | Install pool treatment | $0 | $28,000 | $4,741,000 |
| 206 | Suresnes Cemetery | Replace workshop toilet fixtures | $4,000 | $0 | $4,745,000 |
| 207 | Henri-Chapelle Cemetery | Gild eadles on pylons | $0 | $12,000 | $4,757,000 |
| 208 | Meuse Argonne Cemetery | Construct garage, both quarters | $0 | $20,000 | $4,777,000 |
| 209 | Netherlands Cemetery | Enlarge Visitors Building toilets | $0 | $30,000 | $4,807,000 |
| 210 | Normandy Cemetery | Repair beach paths | $18,000 | $0 | $4,825,000 |
| 211 | Normandy Cemetery | Replace gutter, service building | $6,000 | $0 | $4,831,000 |
| 212 | Rhone Cemetery | Re-stucco main water reservoir | $10,000 | $0 | $4,841,000 |
| 213 | Normandy Cemetery | Resurface service area parking | $5,000 | $0 | $4,846,000 |
| 214 | Suresnes Cemetery | Install Memorial ventilation | $0 | $9,000 | $4,855,000 |
| 215 | Cambridge Cemetery | Reconstruct long stairs pavement | $12,000 | $0 | $4,867,000 |
| 216 | Luxembourg Cemetery | Replace perimeter fence | $30,000 | $0 | $4,897,000 |

## AMERICAN BATTLE MONUMENTS COMMISSION

## DEFERRED PROJECTS IN PRIORITY

| Prior | Cemetery/Memorial | Project | O.C.25 | O.C.32 | CUM Total |
|---|---|---|---|---|---|
| 217 | Henri-Chapelle Cemetery | Repace south east perimeter fence | $17,000 | $0 | $4,914,000 |
| 218 | Meuse Argonne Cemetery | Install sewer system, Visit. bldg | $0 | $6,000 | $4,920,000 |
| 219 | Oise-Aisne Cemetery | Replace boundary fence | $50,000 | $0 | $4,970,000 |
| 220 | Rhone Cemetery | Constr wall in front of Cemetery | $0 | $60,000 | $5,030,000 |
| 221 | Henri-Chapelle Cemetery | Reconstruct Memorial terrace | $240,000 | $0 | $5,270,000 |
| 222 | Normandy Cemetery | Install curbing, access road | $0 | $35,000 | $5,305,000 |
| 223 | Brest Memorial | Install night lighting | $0 | $8,000 | $5,313,000 |
| 224 | Cambridge Cemetery | Rehabilitate attic, Supt's qtrs | $0 | $10,000 | $5,323,000 |
| 225 | Cambridge Cemetery | Repair north entrance stone work | $20,000 | $0 | $5,343,000 |
| 226 | Normandy Cemetery | Install wire fence, both quarters | $0 | $5,000 | $5,348,000 |
| 227 | Luxembourg Cemetery | Protect battle maps | $0 | $15,000 | $5,363,000 |
| 228 | Luxembourg Cemetery | Enclose compost shed | $0 | $5,000 | $5,368,000 |
| 229 | Luxembourg Cemetery | Replace Chapel window frames | $15,000 | $0 | $5,383,000 |
| 230 | Flanders Field Cemetery | Repair flagpole brick terrace | $8,000 | $0 | $5,391,000 |
| 231 | Normandy Cemetery | Constr dormers Asst Supt's qtrs | $0 | $9,000 | $5,400,000 |
| 232 | Normandy Cemetery | Replace roof gutters, both qtrs | $7,000 | $0 | $5,407,000 |
| 233 | Somme Cemetery | Replace quarters slate hooks | $12,000 | $0 | $5,419,000 |
| 234 | Henri-Chapelle Cemetery | Construct north east service way | $0 | $40,000 | $5,459,000 |
| 235 | Epianl Cemetery | Construct canopy, Supt's quarters | $0 | $10,000 | $5,469,000 |
| 236 | Normandy Cemetery | Construct garage, both quarters | $0 | $18,000 | $5,487,000 |
| 237 | Pointe du Hoc Memorial | Install exterior lights | $0 | $7,000 | $5,494,000 |
| 238 | Normandy Cemetery | Construct greenhouse complex | $0 | $8,000 | $5,502,000 |
| 239 | Somme Cemetery | Repace Visitors'Bldg/Qtrs gutters | $20,000 | $0 | $5,522,000 |
| 240 | Lorraine Cemetery | Construct additional parking | $0 | $32,000 | $5,554,000 |
| 241 | Ardennes Cemetery | Extend parking area | $0 | $40,000 | $5,594,000 |
| 242 | Normandy Cemetery | Surface road to old compost area | $8,000 | $0 | $5,602,000 |
| 243 | Normandy Cemetery | Repair Memorial maps | $7,000 | $0 | $5,609,000 |
| 244 | Normandy Cemetery | Rebuild path to east gate | $0 | $9,000 | $5,618,000 |
| 245 | Suresnes Cemetery | Construct service buidling | $0 | $145,000 | $5,763,000 |
| 246 | Lorraine Cemetery | Install alarm, all buildings | $0 | $10,000 | $5,773,000 |
| 247 | Luxembourg Cemetery | Install alarm, all buildings | $0 | $3,000 | $5,776,000 |
| 248 | Normandy Cemetery | Install video at parking lot | $0 | $50,000 | $5,826,000 |
| 249 | Rhone Cemetery | Install security system | $0 | $6,000 | $5,832,000 |
| 250 | Pointe du Hoc Memorial | Landscape battle site | $0 | $100,000 | $5,932,000 |
| 251 | Pointe du Hoc Memorial | Install perimeter fence | $0 | $9,000 | $5,941,000 |
| 252 | Rhone Cemetery | Elevate battle map | $15,000 | $0 | $5,956,000 |
| 253 | Netherlands Cemetery | Construct new parking | $0 | $85,000 | $6,041,000 |
| 254 | Henri-Chapelle Cemetery | Construct new reception building | $0 | $140,000 | $6,181,000 |
| 255 | Henri-Chapelle Cemetery | Construct new visitors' toilets | $0 | $85,000 | $6,266,000 |
| 256 | Henri-Chapelle Cemetery | Construct parking & access road | $0 | $9,000 | $6,275,000 |
| 257 | Henri-Chapelle Cemetery | Construct verandas, both quarters | $0 | $12,000 | $6,287,000 |
| 258 | Meuse Argonne Cemetery | Rehabilitate Quarters No. 3 | $0 | $30,000 | $6,317,000 |
| 259 | Luxembourg Cemetery | Repair Memorial terrace | $80,000 | $0 | $6,397,000 |
| 260 | Luxembourg Cemetery | Insulate exterior of both qtrs | $0 | $7,000 | $6,404,000 |
| 261 | Meuse Argonne Cemetery | Rewire marble repair shop | $3,000 | $0 | $6,407,000 |
| 262 | Henri-Chapelle Cemetery | Rehabilitate kitchen, both qtrs | $0 | $12,000 | $6,419,000 |
| 263 | Florence Cemetery | Clear river banks of undergrowth | $4,000 | $0 | $6,423,000 |
| 264 | Honolulu Memorial | Reset grand stairs | $150,000 | $0 | $6,573,000 |
| 265 | Florence Cemetery | Clean and treat Visitors Building | $20,000 | $0 | $6,593,000 |
| 266 | Meuse Argonne Cemetery | Replace telephone system | $4,000 | $0 | $6,597,000 |
| 267 | Cambridge Cemetery | Repl floor tiles, Asst Supt qtrs | $5,000 | $0 | $6,602,000 |
| 268 | Normandy Cemetery | Install six stone benches | $0 | $6,000 | $6,608,000 |
| 269 | Manila Cemetery | Reline water treatment tanks | $7,000 | $0 | $6,615,000 |
| 270 | North Africa Cemetery | Replace pumps in pump house | $80,000 | $0 | $6,695,000 |

## AMERICAN BATTLE MONUMENTS COMMSSION

### DEFERRED PROJECTS IN PRIORITY

| Prior | Cemetery/Memorial | Project | O.C.25 | O.C.32 | CUM Total |
|---|---|---|---|---|---|
| 271 | Manila Cemetery | Place power lines underground | $0 | $15,000 | $6,710,000 |
| 272 | North Africa Cemetery | Replant oases at Cemetery | $65,000 | $0 | $6,775,000 |
| 273 | Corozal Cemetery | Replace elec service to Chapel | $15,000 | $0 | $6,790,000 |
| 274 | Manila Cemetery | Repave service area | $35,000 | $0 | $6,825,000 |
| 275 | Sicily-Rome Cemetery | Instl foundation drains Supts qtr | $0 | $8,000 | $6,833,000 |
| 276 | Florence Cemetery | Improve hill drainage | $0 | $35,000 | $6,868,000 |
| 277 | Sicily-Rome Cemetery | Replace pumping station pumps | $0 | $40,000 | $6,908,000 |
| 278 | Mexico City Cemetery | Replace palms in cemetery | $9,000 | $0 | $6,917,000 |
| 279 | Manila Cemetery | Replace deep well pump | $25,000 | $0 | $6,942,000 |
| 280 | Corozal Cemetery | Improve workers dressing area | $0 | $8,000 | $6,950,000 |
| 281 | Corozal Cemetery | Reseal roads | $25,000 | $0 | $6,975,000 |
| 282 | Florence Cemetery | Replace pumps in pump room | $25,000 | $0 | $7,000,000 |
| 283 | Corozal Cemetery | Convert Chapel to Visitors center | $0 | $78,000 | $7,078,000 |

TOTALS

Total amount of O.C.25 Deferred projects is $3,265,000

Total amount of O.C.32 Deferred projects is $3,813,000

Grand total.................................$7,078,000

## CORREGIDOR MEMORIAL AREA

Mrs. BOGGS. I note in your statement that Public Law 100-687 charges ABMC with the restoration, operation and maintenance of Pacific War memorials and other historical sites on Corregidor. Apparently the Philippines have been reluctant to agree to a permanent use of the memorial area in perpetuity. It is our recognition that in the case of all the European cemeteries, we have been granted the land and the right to free use of that land in perpetuity; is that correct?

General ADAMS. That is correct, in Europe.

Mrs. BOGGS. If that is the case, why have you concurred with only a 25-year renewable agreement?

General ADAMS. We said we reluctantly concurred, because the option of the negotiation is being pushed or more or less guided by Congressman Montgomery, and he feels that a renewable 25 years is adequate. We didn't have much to say about it.

Mr. GREEN. Is the negotiation in any way tied in with the bases negotiation?

General ADAMS. I don't believe so, sir. I don't believe so at all. although, the Manila American Cemetery is in the current Status of Forces Agreement which is being renegotiated. We have been trying for years to get a separate agreement outside the Status of Forces Agreement. So far, we have not been able to do that.

Mrs. BOGGS. Of the $15,532,000 available in 1990, do you expect to carry forward any funds into 1991?

General ADAMS. I doubt it.

Mrs. BOGGS. If this situation should change before June the 1st, let us know, please.

Colonel RYAN. Be happy to.

General ADAMS. In view of the present rate of exchange, unfortunately, I doubt that we will be able to do so.

Mrs. BOGGS. Does your 1991 request include any funds for 1991 pay cost increases? We understand that OMB directed the agencies to absorb 50 percent of the costs of the pay increases in 1991 in most cases. What about that?

General ADAMS. No. So far as I know, we have not—there are no funds in the present budget for pay increases.

Colonel RYAN. That is true. The Office of Management and Budget said that it included about $200,000 for that purpose. However, I have not been able to discover it.

## COMMISSION MEMBERSHIP

Mrs. BOGGS. We keep referring to an OMB directive that we have, and somehow or other nobody else seems to be aware of it.

You don't have any current vacancies on the commission, do you?

General ADAMS. No.

Mrs. BOGGS. You have added the three that you announced to us, and they replaced the three who went off?

General ADAMS. Yes ma'am, there were no vacancies. They just replaced three members.

Mrs. BOGGS. So no vacancies exist.

General ADAMS. That is correct.

Mrs. **Boggs**. When does the next term come due for the commission membership?

General **Adams**. They serve at the pleasure of the President. They have no term.

Mrs. **Boggs**. I see, all right.

So you don't think there will be any vacancies in the next six months.

General **Adams**. I doubt if there will be any vacancies. I don't know whether any more of the present members will be replaced.

Mrs. **Boggs**. I see. Thank you very much.

Mr. Green?

Mr. **Green**. What percentage of your total budget gets spent in France, roughly?

General **Adams**. I would say about 40 percent of it.

Mr. **Green**. So that is really the key foreign currency.

General **Adams**. Yes, that is the key foreign currency.

Mr. **Green**. Thank you, Madam Chairwoman.

Mrs. **Boggs**. I am very pleased about the upgrading of the superintendents, and especially considering the problems that we have had in France, where we have over a million visitors a year. Has the superintendent at Normandy been upgraded from the GS-11?

General **Adams**. No, not yet.

Mrs. **Boggs**. Not yet. Thank you.

Well, we do thank all of you very much.

General **Adams**. Thank you, ma'am.

[The justifications follow:]

# AMERICAN BATTLE MONUMENTS COMMISSION

## Appropriation Request for Fiscal 1991

Submitted to the Appropriations Subcommittee for the Department of Housing and Urban Development and Independent Agencies, 2d Session, 101st Congress of the United States.

February 1990

AMERICAN BATTLE MONUMENTS COMMISSION

FISCAL 1991 APPROPRIATION REQUEST

SALARIES AND EXPENSES

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## GENERAL STATEMENT

The principal functions of the American Battle Monuments Commission (ABMC) are to commemorate the achievements and sacrifices of United States Armed Forces where they have served since April 6, 1917 through the erection and maintenance of suitable memorial shrines; to design, construct, administer and maintain permanent American military burial grounds in foreign countries; to control the design and construction on foreign soil of U.S. military monuments and markers by other U.S. citizens and organizations, both public and private; and to encourage U.S. governmental agencies and private individuals and organizations to maintain adequately the monuments and markers erected by them on foreign soil.

In the performance of these functions, ABMC administers, operates and maintains twenty-four permanent American military cemetery memorials and fifteen separate monuments in fourteen foreign countries and the Commonwealth of the Northern Mariana Islands and four memorials here in the United States. These cemeteries and memorials are the most beautiful and meticulously maintained shrines of their nature in the world. No others combine such fitness of design, beauty of landscaping and memorial features and immaculate care. Interred in the cemeteries are 124,912 U.S. War Dead -- 30,921 of World War I, 93,241 of World War II and 750 of the Mexican War. Additionally, 5,779 American veterans and others are interred in the Mexico City and Corozal Cemeteries. The World War and Mexico City Cemeteries are closed to future burials except for the remains of U.S. War Dead still to be found from time to time in the World War I and II battle areas. In addition to burials, the World War I and II cemeteries, together with three memorials on U.S. soil, commemorated individually by name on Tablets of the Missing, the 94,100 U.S. servicemen and women who were Missing in Action or lost or buried at sea in their general region during the World Wars, and the Korean and Vietnam Wars.

The upgrading of the physical features of the Corozal American Cemetery and Memorial in Panama is complete except for renovation of the chapel and office. Installation of grass in the graves area that will thrive and maintain a good appearance in the hot and humid climate that prevails there is approximately 40% complete.

The care of these shrines to our War Dead requires a formidable annual program of maintenance and repair of facilities and equipment, and of grounds maintenance. This care includes upkeep of 131,000 graves and headstones; 53 memorial structures; 41 quarters, utilities and maintenance facilities; 67 miles of roads and paths; 911 acres of flowering plants, fine lawns and meadows; 3,000,000 sq. ft. of shrubs and hedges and 11,000 ornamental trees. The estimated replacement cost of these facilities is $273,262,000. All of the plantings including the lawns and to some extent the meadows must be cut and/or shaped, fed and treated with insecticides and fugicides at regular intervals during the growing season. The plantings also must be replaced when their useful lives are exhausted or they receive major storm damage. Much of this maintenance and care must be performed by casual labor as the permanent cemetery staffs are not large enough to provide it on a daily basis.

In the spring of 1985, the U.S. Government embarked on a program of lowering the value of the dollar on foreign markets in order to make U.S. goods more competitive. Through its efforts, the dollar's value decreased considerably in most foreign countries where ABMC installations are located. During fiscal 1989, however, the overall value of the dollar appreciated. During the current fiscal year, the dollar once again has begun its downward slide. ABMC's currency fluctuation account presently has sufficient funds in it to offset losses this year if they are not any larger than those of fiscal 1987 or 1988.

ABMC, a very labor intensive agency, was faced with successive across-the-board pay increases during the period from fiscal 1982 through 1989. These increases totaled $3,073,000 for which one offsetting pay supplemental of $170,000 was enacted. During the years 1982 through 1986, costs of pay increases were defrayed largely by the dollar's appreciation in the foreign countries where our installations are located. From 1987 to 1989 a falling dollar made it necessary for ABMC to absorb $1,050,000 in increased pay costs. In doing so, it became necessary to defer numerous maintenance and repair projects and the replacement of worn out equipment. Now that ABMC has a currency fluctuation offset account with the Department of the Treasury, favorable exchange rates may no longer be used to offset increased pay costs but must be deposited in the fluctuation account to offset future currency exchange losses. Adequate care and maintenance of these shrines requires annually at least $1.9 million for maintenance projects, repairs, equipment replacement and capital improvements; sufficient funds to employ the casual labor needed to supplement permanent staffs in the performance of major "self help" maintenance and repair projects and most importantly, adequate funds to defray annual pay increases and full year costs of the previous years pay increases.

In addition to its other activities, ABMC provides information and assistance on request to relatives and friends of the War Dead interred in or commemorated at its facilities. These services include burial and memorialization information; letters authorizing fee-free passports for members of the immediate family travelling overseas primarily to visit the cemetery; travel and accommodation information; floral decorations at grave or memorial sites utilizing funds furnished by the donor; color Polaroid photographs of the decoration in place, weather permitting; a color lithograph of the cemetery or memorial where a serviceman or woman is buried or commemorated by name on which has been mounted a photograph of the appropriate headstone or section of the Tablets of the Missing; and escort of relatives to the grave of memorial site within the cemetery.

This appropriation request is submitted pursuant to the Act of March 4, 1923 42 Stat, 1509, as amended (36 U.S.C.138a).

## LEAD OFF TABULAR STATEMENT

## SALARIES AND EXPENSES

| | Amount (in thousands) | Authorized Personnel Full-Time Equivalent | Average Employment |
|---|---|---|---|
| 1. Fiscal 1989 Appropriation | 15,085 * | 386 | 386 |
| Transferred to currency fluctuation offset acct | - 1,270 # | ... | ... |
| Transferred from "X" year funds | 18 | | |
| Obligations | 13,833 | ... | ... |
| 2. Fiscal 1990 Appropriation | 15,532 * | 386 | 386 |
| Transfer from "X" year funds for Guadalcanal Monument | 75 | ... | ... |
| Obligations | 15,607 | ... | ... |
| Difference in obligations from FY 89 | 1,774 | ... | ... |
| 3. Fiscal 1991 Appropriation | 15,402 | 386 | 386 |
| Transferred from "X" year funds for Guadalcanal Monument | 75 | ... | ... |
| Obligations | 15,477 | ... | ... |
| Difference in obligations from FY 90 | - 130 | ... | ... |

* Contains $500,000 for Korean War Veterans Memorial.

# Transferred to the Foreign Currency Fluctuation Account, American Battle Monuments Commission established by Sec 345, P.L. 100-322.

STATEMENT OF PERSONNEL

| | 1989 Actual | 1990 Estimate | 1991 Estimate |
|---|---|---|---|
| Total number of full-time permanent positions | 386 | 386 | 386 |
| Total compensable Work Years, FTE | 386 | 386 | 386 |
| Full-time equivalent (FTE) of overtime and holiday pay | 4 | 4 | 4 |
| Average GS grade | 8.25 | 8.45 | 8.67 |
| Average GS salary | 26,448 | 28,113 | 29,399 |
| Average salary of ungraded positions | 16,450 | 19,604 | 20,394 |

# STATEMENT OF

## INCREASES AND DECREASES BY ACTIVITY
(in thousands)

| | Administration and U.S. Memorials | European Cemeteries and Memorials | Mediterranean Cemeteries and Memorials | Asian Cemeteries and Memorials | Latin Cemeteries and Memorials | Totals |
|---|---|---|---|---|---|---|
| 1. Fiscal 1989 obligations | 1,316 * | 9,393 | 2,008 | 744 | 372 | 13,833 |
| 2. Fiscal 1990 obligations | # 1,602 * | 10,616 | 2,430 | 612 | 347 | 15,607 |
| change from 1989 | 286 | 1,223 | 422 | - 132 | - 25 | 1,774 |
| 3. Fiscal 1991 obligations | # 1,147 | 11,008 | 2,378 | 621 | 323 | 15,477 |
| change from 1990 | - 455 | 392 | - 52 | 9 | - 24 | - 130 |

* Includes $500,000 for the Korean War Veterans Memorial.

# Includes $75,000 in "X" year funds for the Guadalcanal Monument.

For additional information see pages 7 and 8.

## STATEMENT OF

## INCREASES AND DECREASES BY ACTIVITY
(in thousands)

| | Administration and U.S. Memorials | European Cemeteries and Memorials | Mediterranean Cemeteries and Memorials | Asian Cemeteries and Memorials | Latin Cemeteries and Memorials | Totals |
|---|---|---|---|---|---|---|
| Fiscal 1987 Obligations | 736 | 9,706 | 1,911 | 649 | 310 | 13,312 |
| Fiscal 1988 Obligations | 773 | 9,810* | 2,015* | 622 | 272 | 13,492* |
| change from 1987 | 37 | 104 | 104 | - 27 | - 38 | 180 |
| Fiscal 1989 Obligations | 1,492# | 10,728 | 2,234 | 744 | 303 | 15,501**# |
| change from 1988 | 719 | 918 | 219 | 122 | 31 | 2,009 |

* Includes $1,084,000 in No Year funds made available in fiscal 1987 that are anticipated will be needed to offset currency exchange losses.

** Includes $266,000 in No Year funds made available in fiscal 1987 to offset currency exchange losses plus $829,000 in the appropriation request for that purpose.

# Includes $500,000 in No Year funds for design site preparation and associated administrative costs for the Korean War Veterans Memorial and $150,000 in No Year funds made available in fiscal 1987 to erect a memorial on Guadalcanal.

For additional information see pages 7 and 8.

## STATEMENT OF

## INCREASES AND DECREASES BY OBJECT CLASSIFICATION
(in thousands)

| | 11 | 12 | 13 | 21 | 22 | 23 | 24 | 25 | 26 | 31 | 32 | 42 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal 1989 obligations | 7,994 | 2,803 | 23 | 161 | 167 | 590 | 34 | 409 | 775 | 123 | 748* | 6 | 13,833 |
| Fiscal 1990 obligations | 8,966 | 3,280 | 128 | 162 | 94 | 669 | 25 | 604 | 743 | 199 | #737* | ... | 15,607 |
| changes from 1989 | 972 | 477 | 105 | 1 | - 73 | 79 | - 9 | 195 | - 32 | 76 | - 11 | - 6 | 1,774 |
| Fiscal 1991 appropriation | 9,186 | 3,434 | 66 | 159 | 90 | 679 | 25 | 590 | 757 | 200 | #291 | ... | 15,477 |
| changes from 1990 | 220 | 154 | - 62 | - 3 | - 4 | 10 | ... | - 14 | 14 | 1 | -446 | ... | - 130 |

* Includes $500,000 for the Korean War Veterans Memorial.

# Includes $75,000 in "X" year funds for the Guadalcanal Monument.

For additional information see pages 9 and 10.

## STATEMENT OF

## INCREASES AND DECREASES BY OBJECT CLASSIFICATION
(in thousands)

| | 11 | 12 | 13 | 21 | 22 | 23 | 24 | 25 | 26 | 31 | 32 | 42 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal 1987 Obligations | 7,115 | 2,320 | 93 | 144 | 99 | 545 | 30 | 827 | 970 | 485 | 664 | 20 | 13,312 |
| Fiscal 1988 Obligations | 8,422 | 2,532 | 129 | 158 | 82 | 584 | 23 | 363 | 740 | 274 | 185 | ... | 13,492* |
| changes from 1987 | 1,307 | 212 | 36 | 14 | - 17 | 39 | - 7 | - 464 | - 230 | - 211 | - 479 | - 20 | 180 |
| Fiscal 1989 Obligations | 8,572 | 2,571 | 99 | 166 | 136 | 624 | 25 | 561 | 869 | 418 | 1,460# | ... | 15,501**# |
| changes from 1988 | 150 | 39 | - 30 | 8 | 54 | 40 | 2 | 198 | 129 | 144 | 1,275 | ... | 2.009 |

* Includes $1,084,000 in No Year funds made available in fiscal 1987 that are anticipated will be needed to offset currency exchange losses.

** Includes $266,000 in No Year funds made available in fiscal 1987 to offset currency exchange losses in part plus $829,000 is included in the Appropriation Request for that purpose.

# Includes $500,000 for design, site preparation and administrative costs associated therewith for the Korean War Veterans Memorial in the Appropriation Request and $150,000 in No Year funds for the Guadalcanal Monument made available in fiscal 1987.

CHANGES BY ACTIVITY

The fiscal 1991 Appropriation Request of the American Battle Monuments Commission provides $15,402,000 to administer, operate and maintain 24 permanent U.S. burial grounds and 19 separately located monuments and memorials, around the world, $130,000 less than fiscal 1990. The following decreases over the current year by object classification are anticipated: $62,000 in severance pay for local employees in Italy; $3,000 in the travel of employees and their dependents; $4,000 in the transportation of supplies, materials, equipment and spare parts; $14,000 in contractual maintenance and repairs; and $446,000 in capital improvements. Offsetting the decreases in part are increases of $374,000 in salaries and personnel benefits; $10,000 in rent, communications and utilities; $14,000 in the procurement of supplies, materials and equipment; and $1,000 in equipment replacement costs.

Administration and U.S. Memorials. $1,072,000 are requested for the Washington Office to administer ABMC operations worldwide and oversee directly 3 burial grounds and 6 separately located memorials, $455,000 less than the current year. The U.S. burial grounds are located in the Philippines, Panama and Mexico and the memorials, except for the one on Saipan and the one under construction on Guadalcanal, are located here in the United States. Decreases in the request are $3,000 in contractual maintenance and repairs; $7,000 in the replacement of equipment; and $461,000 in capital improvements generated mainly by the $500,000 federal contribution in FY 90 to the construction of the Korean War Veterans Memorial. Offsetting the decreases in part are increases of $15,000 in salaries and personnel benefits and $1,000 in the procurement of office supplies.

European Cemeteries and Memorials. $11,008,000 are requested for the administration, operation and maintenance of 18 World War I and II permanent U.S. military burial grounds in England, France, Belgium, Luxembourg and the Netherlands and 12 separately located monuments, $392,000 more than FY 90. Increases are $359,000 for salaries and personnel benefits; $5,000 for transportation of household goods, supplies, materials and equipment; $5,000 for contractual maintenance and repairs, $17,000 for the procurement of supplies, materials and spare parts; and $13,000 for the replacement of equipment. Offsetting the increases in part are decreases of $3,000 in the travel of employees; $2,000 in rent, communications, utilities and State Department Support and $2,000 in capital improvements.

Mediterranean Cemeteries and Memorials. $2,378,000 are requested for the administration, operation and maintenance of 3 permanent U.S. military burial grounds in Italy and Tunisia and one separately located monument in Gibraltar $52,000 less than FY 90. Decreases are $85,000 in current personnel salaries and benefits and those of former personnel; $11,000 in contractual repairs and maintenance; and $6,000 in the procurement of supplies, materials and spare parts. Offsetting these decreases in part are increases of $4,000 in the travel of personnel and dependents; $3,000 in rent, communications, utilities and State Department Support; $1,000 in the replacement of equipment and $42,000 in capital improvements.

## CHANGES BY ACTIVITY

Asian Cemeteries and Memorials. $621,000 are requested for the administration, operation and maintenance of the Manila American Cemetery and Memorial in the Republic of the Philippines, $9,000 more than FY 1990. Increases are $18,000 for salaries and personnel benefits; $3,000 for home leave travel; $1,000 for the transportation of supplies, materials and equipment; and $8,000 for rent, communications, utilities and State Department support. Offsetting the increases in part are decreases of $12,000 in contractual maintenance and repairs; $1,000 in the procurement of supplies, materials and spare parts and $8,000 in equipment replacement.

Latin Cemeteries and Memorials. $323,000 are requested for the administration, operation and maiantenance of the Corozal American Cemetery and Memorial in Panama and the Mexico City American Cemetery and Memorial in Mexico, $24,000 less than FY 90. Decreases are $6,000 in home leave travel; $10,000 transportation of things; and $25,000 in capital improvements. Offsetting the decreases in part are increases of $6,000 in salaries and personnel benefits; $1,000 in rent, communications, utilities and State Department support; $7,000 in contractual maintenance and repairs; $1,000 in the procurement of supplies, materials and spare parts; and $2,000 in the replacement of tools, vehicles and equipment.

## CHANGES BY OBJECT CLASSIFICATION

This appropriation request for fiscal 1991 provides $15,402,000 for ABMC operations worldwide, $130,000 less than the current year.

11. Personnel Compensation. $9,186,000 are requested for the salaries of 6 military, 51 U.S. general and 335 foreign national employees, $220,000 more than fiscal 1990. For the past ten years, increases in salary and personnel benefit costs have averaged almost $400,000 per year. During this period, only one offsetting supplemental appropriation of $170,000 was enacted. Now that this Commission has a currency fluctuation offset account, all increases in the value of the dollar on foreign markets with respect to the budgeted rate must be deposited in this account to defray future losses. As a consequence, they no longer can be used to offset increases in salaries and personnel benefits. In order for this Commission to continue to maintain properly the shrines to U.S. War Dead for which it is responsible, it will need either a supplemental appropriation to defray these costs or authority to budget for them in the budget year and funds included for that purpose in the annual appropriation.

12. Personnel Benefits. $3,434,000 are requested for the personnel benefits of U.S. civilian and foreign national employees, $154,000 more than the previous year. These allowances are authorized by U.S. federal laws, the laws of the foreign countries where our installations are located and the treaty agreements between the U.S. federal government and the governments of the host countries. They include U.S. and foreign national (FN) social security, GS medicare tax, GS and FN group life insurance, GS education allowances, GS quarters allowances, GS post allowances, GS and military temporary lodging allowances, GS and FN retirement, GS and FN health insurance, GS thrift saving programs, GS and FN COLAs, FN bonuses, and FN family allowances.

13. Benefits of Former Personnel. $66,000 are requested for severance pay of foreign national employees in Italy and currency exchange losses by the Department of State in its payment of retirement benefits for former local national employees of ABMC who are under the U.S. retirement system, $62,000 less than the current year.

21. Travel and Transportation of Persons. $159,000 are requested for travel and transportation of U.S. and foreign national employees and the travel of U.S. dependents, $3,000 less than the current year. Of these funds, $14,000 are for inspections and meetings by Presidential appointees charged with monitoring ABMC operations worldwide; $13,000 are for inspection of operations in the field by the Secretary and his staff of Washington Office; $60,000 are for the travel of field personnel in the administration, inspection, operation and maintenance of facilities; $62,000 are for the home leave of U.S. employees and their dependents stationed on foreign soil; $6,000 are for permanent changes of station by U.S. employees and $4,000 are for education travel of U.S. employees and dependents.

## CHANGES BY OBJECT CLASSIFICATION

22. Transportation of Things. $90,000 are requested for the transportation of supplies, materials, spare parts, vehicles and equipment used in ABMC operations and the maintenance and repair of facilities and for the movement of household goods of U.S. employees on permanent changes of station. $4,000 less than the current year.

23. Rent, Communications and Utilities. $679,000 are requested for rental of quarters, office and garage space; postal, telephone and telegraph services; water, gas, and electricity; and State Department administrative support, $10,000 more than the current year.

24. Printing and Reproduction. $25,000 are requested for printing and reproduction of photographs, general information pamphlets, cemetery booklets and lithographs, the annual report to the President, blueprints and other printed material, the same as the current year.

25. Other Services. $590,000 are requested for contractual repairs and maintenance of facilities and utilities, $14,000 less than the current year.

26. Supplies and Materials. $757,000 are requested for procurement of plantings and seeds; horticultural, repair and utility, custodial and office supplies; petroleums, oils and lubricants; tires and tubes; and spare and replacement parts for vehicles and equipment, $14,000 more than the current year.

31. Equipment. $200,000 are requested for replacement of uneconomically repairable and worn-out vehicles and equipment, $1,000 more than the current year.

32. Lands and Structures. $216,000 are requested for capital improvements, $446,000 less than the current year. No funds are included in the request for the Korean War Veterans Memorial; last year $500,000 was appropriated for that purpose, consequently the reduction.

# ANNUAL BUDGETS

| Cemetery/Office | Fiscal 1989 | Fiscal 1990 | Fiscal 1991 |
|---|---|---|---|
| Washington Office | * 1,378,273 | # 1,527,000 | # 1,072,000 |
| Paris Office | 2,141,301 | 2,406,407 | 2,449,369 |
| Aisne-Marne | 378,791 | 422,870 | 534,987 |
| Ardennes | 549,310 | 643,731 | 606,585 |
| Brittany | 325,819 | 380,699 | 399,311 |
| Brookwood | 80,537 | 119,172 | 119,424 |
| Cambridge | 296,625 | 359,008 | 400,822 |
| Epinal | 379,341 | 426,018 | 455,341 |
| Flanders Field | 280,409 | 296,231 | 314,993 |
| Henri-Chapelle | 570,127 | 605,618 | 619,778 |
| Lorraine | 777,487 | 691,107 | 745,058 |
| Luxembourg | 318,214 | 450,817 | 386,263 |
| Meuse-Argonne | 741,996 | 801,985 | 838,238 |
| Netherlands | 551,322 | 751,623 | 733,762 |
| Normandy | 694,873 | 737,373 | 770,400 |
| Oisne-Aisne | 341,069 | 410,916 | 423,900 |
| Rhone | 228,256 | 262,403 | 329,179 |
| Somme | 230,816 | 288,923 | 283,213 |
| St. Mihiel | 298,543 | 350,118 | 365,500 |
| Suresnes | 208,097 | 210,981 | 231,877 |
| Rome Office | 577,242 | 669,401 | 677,676 |
| Florence | 533,159 | 712,732 | 680,177 |
| North Africa | 243,152 | 236,731 | 234,276 |
| Sicily-Rome | 654,618 | 811,136 | 785,871 |
| Asian Office/Manila | 744,000 | 612,000 | 621,000 |
| Latin Office/Corozal | 228,985 | 288,000 | 257,000 |
| Mexico City | 62,762 | 59,000 | 66,000 |
| ABMC TOTAL | * 13,815,124 | # 15,532,000 | # 15,402,000 |

* Does not contain $18,000 in "X" year funds.

# Does not contain $75,000 in "X" year funds for Guadalcanal.

NOTE: FY 89 & 90 each contain $500,000 for the Korean War Memorial.

## PROPOSED APPROPRIATION LANGUAGE CHANGE

Request the following change be made in the Commission's Appropriation language for Fiscal 1991:

Change appropriation for Salaries and Expenses to $15,402,000.

## ABMC INSTALLATIONS

| Name and Location | No. of Burials | Missing Memorialized | No. of Acres | No. of Employees | Highest Grade |
|---|---|---|---|---|---|
| U.S. Installations | | | | | |
| Washington Office | ... | ... | ... | 8GS,4mil | MG |
| American Expeditionary Force Monument Pershing Park, Washington, DC (14) | ... | ... | 0.1 | ... | ... |
| East Coast Memorial, New York City, New York (8) | ... | 4,598 | 0.8 | ... | ... |
| Honolulu Memorial, Honolulu, Hawaii (9) | ... | 28,781 | 1.0 | ... | ... |
| West Coast Memorial, Presidio of San Francisco, California (10) | ... | 413 | 1.3 | ... | ... |
| European Installations | | | | | |
| Paris Office | ... | ... | ... | 5GS,26LN,1mil | GM-15 |
| Aisne-Marne American WWI Cemetery and Memorial, Belleau, Aisne, France | 2,289 | 1,060 | 282.5 | 1GS,12LN | GS-8 |
| Ardennes American WWII Cemetery and Memorial, Neupre, Belgium | 5,328 | 462 | 90.5 | 2GS,16LN | GS-9 |
| Audenarde Monument, Audenarde, Belgium (1) | ... | ... | 0.4 | ... | ... |
| Bellicourt Monument, St. Quentin, Aisne, France (2) | ... | ... | 1.8 | ... | ... |
| Brest Monument, Brest, Finistere, France (3) | ... | ... | 1.0 | 1LN | ... |
| Brittany American WWII Cemetery and Memorial, St. James, Manche, France | 4,410 | 498 | 27.5 | 2GS,9LN | GS-9 |

| Name and Location | No. of Burials | Missing Memorialized | No. of Acres | No. of Employees | Highest Grade |
|---|---|---|---|---|---|
| Brookwood American WWI Cemetery and Memorial, Brookwood, England | 468 | 563 | 4.5 | 1GS,2LN | ... |
| Cambridge American WWII Cemetery and Memorial, Cambridge, England | 3,811 | 5,126 | 30.5 | 2GS,11LN | GS-9 |
| Cantigny Monument, Cantigny, Somme, France (2) | ... | ... | 0.4 | 1LN | ... |
| Chateau-Thierry Monument, Chateau-Thierry, Aisne, France (4) | ... | ... | 28.0 | 1LN | ... |
| Epinal American WWII Cemetery and Memorial, Epinal, Vosges, France | 5,255 | 424 | 46.0 | 2GS,11LN | GS-9 |
| Flanders Field American WWI Cemetery and Memorial, Waregem, Belgium | 368 | 43 | 6.0 | 1GS,5LN | GS-8 |
| Henri-Chapelle American WWII Cemetery and Memorial, Henri-Chapelle, Belgium | 7,989 | 450 | 57.0 | 2GS,16LN | GS-10 |
| Kemmel Monument, Ypres, Belgium (1) | ... | ... | 0.2 | ... | ... |
| Lorraine American WWII Cemetery and Memorial, St. Avold, Moselle, France | 10,489 | 444 | 114.0 | 2GS,19LN | GS-10 |
| Luxembourg American WWII Cemetery and Memorial, Luxembourg | 5,076 | 371 | 50.6 | 2GS,11LN | GS-9 |
| Meuse-Argonne American WWI Cemetery and Memorial, Romagne-sous-Montfaucon, Meuse, France | 14,246 | 954 | 130.5 | 2GS,26LN | GS-11 |
| Montfaucon Monument, Montfaucon, Meuse, France (5) | ... | ... | 9.0 | ... | ... |
| Montsec Monument, Thiaucourt, Meurthe and Moselle, France (6) | ... | ... | 45.0 | 1LN | ... |

| Name and Location | No. of Burials | Missing Memorialized | No. of Acres | No. of Employees | Highest Grade |
|---|---|---|---|---|---|
| Netherlands American WWII Cemetery and Memorial, Margraten, Netherlands | 8,301 | 1,722 | 65.5 | 2GS,17LN | GS-10 |
| Normandy American WWII Cemetery and Memorial, St. Laurent, Calvados, France | 9,386 | 1,557 | 172.3 | 2GS,20LN | GS-11 |
| Oise-Aisne American WWI Cemetery and Memorial, Fere-en-Tardenois, Aisne, France | 6,012 | 241 | 36.5 | 1GS,12LN | GS-10 |
| Pointe du Hoc Monument, Cricqueville-en-Bessin, Calvados, France (13) | ... | ... | 31.0 | ... | ... |
| Rhone American WWII Cemetery and Memorial, Draguignan, Var, France | 861 | 293 | 12.0 | 1GS,6LN | GS-8 |
| Somme American WWI Cemetery and Memorial, Bony, Aisne, France | 1,844 | 333 | 14.3 | 1GS,5LN | GS-8 |
| Sommepy Monument, Sommepy, Marne, France (5) | ... | ... | 15.0 | ... | ... |
| St. Mihiel American WWI Cemetery and Memorial, Thiaucourt, Meurthe, France | 4,153 | 284 | 40.3 | 1GS,9LN | GS-8 |
| Suresnes American WWI Cemetery and Memorial, Suresnes, Seine, France | 1,565(11) | 974 | 7.5 | 1GS,5LN | GS-9 |
| Tours Monument, Tours, Indre-et-Loire, France (3) | ... | ... | 0.5 | ... | ... |
| Utah Beach Monument, Ste Marie du Mont, Calvados, France (13) | ... | ... | 0.5 | ... | ... |
| Mediterranean Installations | | | | | |
| Rome Office | ... | ... | ... | 6LN,1mil | COL |
| Florence American WWII Cemetery and Memorial, Florence, Italy | 4,402 | 1,409 | 70.0 | 2GS,15LN | GS-9 |

| Name and Location | No. of Burials | Missing Memorialized | No. of Acres | No. of Employees | Highest Grade |
|---|---|---|---|---|---|
| Gibraltar Monument, Gibraltar(7) | ... | ... | 0.1 | ... | ... |
| North Africa American WWII Cemetery and Memorial, Carthage, Tunisia | 2,841 | 3,724 | 27.0 | 2GS,11LN | GS-9 |
| Sicily-Rome American WWII Cemetery and Memorial, Nettuno, Italy | 7,862 | 3,096 | 75.0 | 2GS,16LN | GS-10 |
| Asian Installation | | | | | |
| Asian Office/Manila American WWII Cemetery and Memorial, Luzon, Philippines | 17,206 | 36,280 | 152.0 | 2GS,37LN | GS-12 |
| Guadalcanal Monument, Guadalcanal, Solomon Islands (15) | ... | ... | 0.5 | ... | ... |
| Saipan Monument, Saipan, Northern Mariana Islands (14) | ... | ... | 0.1 | ... | ... |
| Latin Installations | | | | | |
| Latin Office/Corozal American Cemetery, Canal Zone, Panama | 4,966 | ... | 16.0 | 1GS,7LN | GS-9 |
| Mexico City National Cemetery, Mexico City, Mexico | 1,563(12) | ... | 1.0 | 1GS,1LN | GS-8 |
| Total | 130,691 | 94,100 | 1,665.7 | 51GS,335LN,6mil | MG |

(1) Satellited on Flanders Field Cemetery for care

(2) Satellited on Somme Cemetery for care

(3) Satellited on Brittany Cemetery for care

(4) Satellited on Aisne-Marne Cemetery for care

(5) Satellited on Meuse-Argonne Cemetery for care

(6) Satellited on St. Mihiel Cemetery for care

(7) Satellited on City of Gibraltar for day to day care

(8) Satellited on City of New York for day to day care

(9) Satellited on National Memorial Cemetery of the Pacific for day to day care

(10) Satellited on Presidio of San Francisco for day to day care

(11) Includes 24 Unknowns of World War II

(12) Includes 813 non War Dead

(13) Satellited on Normandy Cemetery for care

(14) Satellited on National Park Service

(15) Satellited on Washington Office.

## FY 88 VISITORS TO ABMC
## CEMETERIES, MONUMENTS AND MEMORIALS

| | | |
|---|---|---|
| U.S. Installations: | TOTAL | 7,122,003 |
| East Coast Memorial | | 2,000,000 |
| Honolulu Memorial | | 5,122,003 |
| European Installations: | TOTAL | 6,038,484 |
| Aisne-Marne Cemetery | | 135,370 |
| Ardennes Cemetery | | 66,873 |
| Brittany | | 162,648 |
| Brookwood | | 5,573 |
| Cambridge | | 149,359 |
| Epinal | | 44,392 |
| Flanders Field | | 20,005 |
| Henri-Chapelle | | 1,160,553 |
| Lorraine | | 270,237 |
| Luxembourg | | 156,162 |
| Meuse-Argonne | | 72,458 |
| Netherlands | | 2,068,907 |
| Normandy | | 1,627,828 |
| Oise-Aisne | | 13,988 |
| Rhone | | 26,826 |
| St. Mihiel | | 21,322 |
| Somme | | 11,378 |
| Suresnes | | 24,605 |

| | | |
|---|---|---|
| Mediterranean Installations: | TOTAL | 451,759 |
| Florence Cemetery | | 36,312 |
| North Africa Cemetery | | 29,000 |
| Sicily Rome Cemetery | | 386,447 |
| Asian Installations | TOTAL | 146,109 |
| Manila Cemetery | | 146,109 |
| Latin Installations: | TOTAL | 23,862 |
| Corozal Cemetery | | 23,538 |
| Mexico City Cemetery | | 324 |

TOTAL FY 1988 VISITORS: 13,782,217

THURSDAY, FEBRUARY 22, 1990.

# CEMETERIAL EXPENSES, DEPARTMENT OF THE ARMY

## WITNESSES

STEVEN DOLA, DEPUTY FOR MANAGEMENT AND BUDGET, OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

RAYMOND J. COSTANZO, DIRECTOR, ARLINGTON NATIONAL CEMETERY

RORY D. SMITH, BUDGET OFFICER, ARLINGTON NATIONAL CEMETERY

## OPENING REMARKS

Mrs. BOGGS. Hello, nice to see you. We are very pleased to have you, Mr. Dola, the Deputy for Management and Budget, Office of the Assistant Secretary of the Army for Civil Works: and we are happy to have you, Mr. Costanzo, the Superintendent of Arlington National Cemetery. Is Mr. Rory Smith here also?

Mr. DOLA. Yes.

Mrs. BOGGS. Oh, excuse me, Mr. Smith. From the budget office. The fiscal year 1991 budget requests $12,236,000, and 140 FTEs for expenses at Arlington National Cemetery, and the Soldiers' and Airmen's Home Cemetery. This is a decrease of $138,000 below the 1990 appropriated level. Mr. Dola, we would be happy to have your general statement.

Mr. DOLA. Thank you very much, Madam Chairwoman.

I would like to summarize my statement and ask that the complete statement be included in the record.

Mrs. BOGGS. Without objection.

[The prepared statement and biography of Steven Dola follows:]

DEPARTMENT OF THE ARMY

OFFICE OF ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

STATEMENT

OF

STEVEN DOLA

DEPUTY FOR MANAGEMENT AND BUDGET, OFFICE, ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

BEFORE THE

SUBCOMMITTEE ON VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPEMENT

AND OTHER INDEPENDENT AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

ON FISCAL YEAR 1991 CEMETERIAL EXPENSES, ARMY BUDGET REQUEST

FEBRUARY 22, 1990

Mr. Chairman and Members of the Subcommittee

I appreciate the opportunity to appear before this subcommittee in support of the Fiscal Year 1991 appropriation request for Cemeterial Expenses, Department of the Army. With me today are Mr. Raymond J. Costanzo, Superintendent of Arlington National Cemetery, and Mr. Rory Smith, Budget Officer, also from Arlington National Cemetery. We are appearing on behalf of the Secretary of the Army, who is responsible for the operation and maintenance of Arlington and Soldiers' and Airmen's Home National Cemeteries. The funds requested will finance operations at both cemeteries.

The request for Fiscal Year 1991 is $12,236,000. The funds requested are sufficient to support the work force, to assure adequate maintenance of the buildings, and to acquire necessary supplies and equipment.

The increase of $71,000 in operation and maintenance is primarily due to an estimated increase in the cost for grounds maintenance and security contracts, road repair, and building maintenance. Funding increases have been kept to a minimum and will provide adequate maintenance standards expected at this national shrine.

In Fiscal Year 1989 there were 3,051 interments and 1,155 inurnments; we estimate 3,200 interments and 1,210 inurnments in Fiscal Year 1990; and 3,360 interments and 1,270 inurnments in Fiscal Year 1991.

## Ceremonies

Arlington National Cemetery is this Nation's principal shrine to honor the men and women who served in the Armed Forces. It is a visible reflection of America's appreciation for those who have made the ultimate sacrifice to maintain our freedom. In addition to the thousands of funerals, with military honors, held there each year, hundreds of non-funeral ceremonies are conducted to honor those who rest in the cemetery. Thousands of visitors, both foreign and American, visit Arlington to participate in these events. During Fiscal Year 1989, about 1,900 ceremonies were conducted. Amoung the many distinguished participants were six foreign heads of state -- President Bissal, of Guinea, President Moussa Traore, of Mali, Prime Minister Margaret Thatcher, of Great Britain, Dr. Kwett K.J. Masire, President of Botswana, President Mobutu, of Zaire and Prime Minister of Japan, Toshiuki Kaifu. In addition, President Reagan participated in ceremonies on Veterans Day in 1988 and Vice President Quayle participated in Memorial Day services in 1989. During Fiscal Year 1989, Arlington National Cemetery hosted over 4 million visitors, making Arlington one of the most visited historic sites in the National Capital Region.

## Columbarium

Inurnment activities in the Columbarium continue to increase. In 1980, the first year of operation, we had 657 inurnments. Because of the advanced age of our World War I and World War II Veterans, we are now averaging approximately 1,200 inurnments per year. At this rate all available space in the existing Columbarium will be exhausted by May, 1990.

Fiscal Year 1989 funds in the amount of $5,764,000 were appropriated to construct a 10,000 niche addition to the Columbarium. In September, 1988, we advised the subcommittee of a possible increase in the cost of the next phase of the Columbarium project. However, as a result of design modifications, a contract was awarded, June, 1989, for approximately $300,000 less than the amount appropriated. The new addition will be completed in April, 1990. Another 10,000 niche addition to this facility is projected to be required in Fiscal Year 1997.

## Visitors Center and Parking Facility

The new Visitors Center and Parking Facility was opened on January 16, 1989. Parking fees are collected from visitors using this facility. Under the paid parking plan, $740,000 of revenue was returned to the United States Treasury in Calendar 1989. A new lease for the operation of the parking facility was recently negotiated. Under the terms of this new lease, funds estimated at $850,000 will be returned to the United States in Calendar 1990.

Initially, there was an adverse reaction to the paid parking requirement by commercial tour bus operators. This has now subsided, and the paid parking concept at Arlington National Cemetery appears to be generally accepted.

During the peak visiting season, approximately 2,400 cars and 120 buses per day use the facility. During the winter season, use declines to approximately 600 cars and 20 buses per day.

## Maintenance Buildings

The new maintenance shops and warehouse being requested in Fiscal Year 1991, are estimated to cost $4,778,000, and would replace buildings constructed in 1930. These were originally constructed as horse stables and converted to a cemetery maintenance facility in the late 1940s. They were not designed to house or service modern cemetery equipment; consequently, they are inadequate for those purposes. Moreover, the facility does not meet the current OSHA standards.

The proposed facility would be designed to meet current building standards and be more conveniently located to facilitate the daily operations of the cemetery.

Approval of our Fiscal Year 1991 request will permit us to continue the high standards of maintenance Arlington National Cemetery deserves.

Mr. Chairman, this concludes my remarks. We will be pleased to respond to questions from the subcommittee.

# BIOGRAPHICAL SKETCH

## STEVEN DOLA

Mr. Steven Dola is the Deputy for Management and Budget in the Office of the Assistant Secretary of the Army (Civil Works). Mr. Dola is responsible for policy direction governing development and implementation of the Civil Works budget in accordance with Department of the Army goals and priorities for water resource development.

From 1974 to 1975 Mr. Dola managed the Presidential Study of Water Policy authorized by the Water Resources Development Act of 1974. This study provided analysis of the planning, design, construction, and financing and cost sharing of Federal water resources projects and programs.

Prior to joining the staff of the Secretary of the Army in 1966, Mr. Dola served in the Bureau of the Budget with responsibility for examining the budget and programs of the Bureau of Reclamation and the Bonneville Power Administration.

A graduate Civil Engineer and a registered Professional Engineer in New Jersey, Mr. Dola also earned degrees from the University of Iowa (Mechanics and Hydralics) and Harvard (Public Administration).

Mr. Dola. I appreciate the opportunity to appear before the subcommittee in support of the fiscal year 1991 appropriations request for cemeterial expenses, Department of the Army. With me today, as you mentioned, Madam Chairwoman, are Mr. Raymond J. Costanzo, Superintendent of Arlington National Cemetery, and Mr. Rory Smith, budget officer, also from Arlington.

We are appearing on behalf of the Secretary of the Army, who is responsible for the operation and maintenance of Arlington and Soldiers' and Airmen's Home National Cemeteries. The funds requested will finance operations at both cemeteries.

The request for fiscal year 1991 is, as you mentioned, $12,236,000, and would be used to support the work force, assure adequate maintenance of the buildings, acquire necessary supplies and equipment, and to construct new facilities maintenance shops.

Arlington National Cemetery is this nation's principal shrine to the men and women who served in the armed forces. In fiscal year 1989 there were 3051 interments and 1155 inurnments. For fiscal year 1990, 3200 interments and 1210 inurnments are estimated, and for fiscal year 1991, the budget year, the budget estimates are 3360 interments and 1270 inurnments.

Also during fiscal year 1989, Arlington National Cemetery accommodated over 4 million visitors, making Arlington one of the most visited historic sites in the national capital region.

In this regard, Madam Chairwoman, although not covered in my complete statement, I believe it worthy of mention that we have received a proposal regarding the establishment of a historical society for Arlington National Cemetery. The concept of a historical society for Arlington is one that the Army supports, and the specifics of the proposal are under review by the Army General Counsel.

Approval of the fiscal year 1991 request will permit continuation of the high standards of maintenance expected at these cemeteries.

Thank you, Madam Chairwoman. This concludes my summary, and we will attempt to answer your questions.

### PAID PARKING

Mrs. Boggs. Okay. Thank you very much.

On the third page of the general statement under "Visitors Center and Parking Facility," you indicate that $740,000 of revenue was returned to the Treasury in calendar 1989 under the paid parking plan. You estimate $850,000 would be returned to the Treasury in calendar 1990. How does the lease for the operation and maintenance of the parking facility work?

Mr. Dola. Madam Chairwoman, the paid parking facility is operated through a lease agreement with a commercial vendor, and he is not required to report his profit, nor other costs that he incurs, such as costs for insurance, for salaries that are paid to his employees, or for overhead. The lease operates in a manner that the highest qualified bidder obtains the lease, and it is made available on an annual basis, so we are in the second such lease, and $850,000 is the estimate to be derived in 1990, calendar 1990.

Mrs. Boggs. So you have no notion of what the gross income of the parking facility is.

Mr. **Dola**. We do not have an official report, and we rely on competitive pressures in the marketplace to assure that the profit that is obtained by the leaseholder is a reasonable one.

Mr. **Green**. How many bidders did you have?

Mr. **Dola**. Congressman Green, I believe it is on the order of nine or 10.

Mr. **Costanzo**. It was approximately nine or 10, and the bids ranged from a high of $850,000 to a low of $400,000. We do know how many vehicles are estimated to use the parking facility and from that, we can extrapolate and arrive at an estimated gross intake of $1,286,000.

From that amount, we must deduct the $850,000 for the lease payment. That leaves approximately a half a million dollars. We have no knowledge of what portion of that half a million dollars goes into overhead operating expenses, such as salaries, insurance, and maintenance.

Certainly the half million dollars is reduced considerably and we do not know what the exact profit figure would be.

Mrs. **Boggs**. Who determines what maintenance is required for the parking garage facility?

Mr. **Costanzo**. We do. They are defined in the terms of the lease. In addition, we also direct the amount of the parking fees the public can be charged for using the parking facility.

Mrs. **Boggs**. So you have control over the maintenance and control over the amount charged?

Mr. **Costanzo**. Yes ma'am. We do check to verify compliance.

Mrs. **Boggs**. Is the parking facility usually filled during the summer months?

Mr. **Costanzo**. During the summer months, yes, ma'am. During the winter months, it is not.

## RAINWATER LEAKS

Mrs. **Boggs**. Last year you were planning to repair rainwater leaks in the amphitheater. As I understand it, the problem is worse than you had originally anticipated. What is the status of this project, and when do you anticipate requesting funds to repair the rainwater leaks?

Mr. **Dola**. Madam Chairwoman, the status of that project is that it is presently under study, and we expect that study to be completed in late summer, enabling us to prepare a cost estimate to repair the rainwater damage and include it in our 1992 budget submission.

## ACROSS THE BOARD REDUCTIONS

Mrs. **Boggs**. The Congress appropriated $12,569,000 requested for the cemeterial expenses appropriations in fiscal 1990. However, to stay within the overall budget authority and outlay totals, an across-the-board reduction to each account was required. That reduction for this appropriation was $195,000. The conferees agreed that these reductions were to be applied to each program, project or activity. As shown in the budget document and the Congressional justifications, this account is divided into the three activities: operations and maintenance, administration, and construction.

On the table on page 3 of the justification it indicates that the entire reduction of $195,000 was applied to operations and maintenance; is that correct?

Mr. SMITH. That is correct. We had some minor reprogramming after the fact within our programs.

Mrs. BOGGS. Why was a reduction not applied equally to all three activities as stated in the conference report?

Mr. SMITH. Arlington faced a similar situation in 1986 and sought guidance from OMB. The guidance on sequestration from OMB was, it did not matter which of the three programs was reduced. OMB indicated that the small size of the appropriation warranted that it be treated as one program. We followed a similar approach here since similar language was involved.

Mrs. BOGGS. I am being told that this committee was trying to protect its own prerogatives, and that if you really want to reprogram and put it all in one pot, that you should come back and tell us so. Were you aware of the language on page 54 of the conference report?

Mr. SMITH. We did not recognize the significance of the Conference Report's guidance in this case and relied instead on the earlier OMB guidance.

Mrs. BOGGS. Mr. Dola, that language, which is identical to the method in which sequestration is to be applied, was put in there to protect Congressional prerogatives.

Mr. DOLA. Yes.

Mrs. BOGGS. If you desire to shift funds between activities so as to have the entire reduction applied to the operations and maintenance category, a reprogramming proposal should be submitted. You can understand the committee's position.

Mr. DOLA. I appreciate that, Madam Chairwoman, and we will certainly take that to heart.

## LANGUAGE CHANGE

Mrs. BOGGS. Thank you. The administration is proposing that the 1991 appropriations will remain available for one year. Previously appropriations have been available until expended. Why have you proposed a one year availability of your appropriation?

Mr. DOLA. Madam Chairwoman, you are correct, there is a change proposed in the 1991 budget, and we would lose some flexibility, but we do not see a major impact, and there would be an advantage in our ability to close out accounts annually. There would be no prior year accounting to be performed. And additionally, standard Army accounting systems are designed to handle annual appropriations. The proposed change would provide a degree of assurance that we have not had heretofore.

Mr. GREEN. Would you have lapsed money in previous years if you had the one-year limitation?

Mr. SMITH. Small amounts.

Mr. GREEN. All right. Thank you.

Mrs. BOGGS. But your 1991 request includes $4,778,000 for construction of a new facilities maintenance shop. Do you foresee any problems in obligating those funds in fiscal year 1991?

Mr. DOLA. Madam Chairwoman, you are correct, and we would obligate the funds to the Army Corps of Engineers, the Baltimore District, who would be working with Arlington Cemetery to design and actually procure the new maintenance facilities shops that you mention. So we are hopeful and do expect no problem in obligating the funds.

### TOMB CRACK

Mrs. BOGGS. Last year we discussed the crack in the Tomb of the Unknown Soldier. Have you completed your analysis of the problem?

Mr. COSTANZO. Yes, ma'am. We completed the initial study and have made the necessary remedial repairs. That phase was completed two months ago. The study, however, is still ongoing in order to determine whether or not any additional preventive measures are required. Information currently available indicates that the crack did not permeate the entire stone and the architect engineer is confident that there is no serious problem. It appears that this historic site has been preserved at a cost of less than $20,000.

### EQUIPMENT

Mrs. BOGGS. That is very commendable. On page 9 of the justification, you are requesting $399,000 for equipment in 1991, and this is an increase of $206,000 above the 1990 level. What kind of equipment do you intend to purchase in 1990?

Mr. DOLA. Madam Chairwoman, we have a specific list. A tow truck, a backhoe, a hearse, two five-ton trucks and two tractors are the major pieces of equipment that we would like, and are planning, to replace in the 1991 budget.

### WORK YEARS

Mrs. BOGGS. Last year you indicated you could support 143 work years in 1989. The table on page 13 indicates a total of 133 work years were supported in 1989. Why was the 1989 work year level 10 less than estimated last year?

Mr. DOLA. Frankly, Madam Chairwoman, we had difficulty in filling those vacancies. I think that is the——

Mr. COSTANZO. Well, we had several unanticipated retirements and people leaving us toward the end of the fiscal year. The personnel office did not have time to fill those vacancies before the fiscal year ended.

### PAY RAISE

Mrs. BOGGS. Can you support the work level estimated for 1990 and requested for 1991?

Mr. COSTANZO. We are certainly going to try very hard.

Mrs. BOGGS. With the funds shown in the justification?

Mr. COSTANZO. Yes, ma'am.

Mrs. BOGGS. Including January 1990 and January 1991 pay raises?

Mr. COSTANZO. Yes. Well, 1991 we have not projected in our budget any funds for a pay raise.

Mrs. BOGGS. In 1991?

Mr. COSTANZO. If a pay raise is enacted, we will in all probability request a supplemental appropriation.

### HIRING FREEZE

Mrs. BOGGS. We have some who have projected, and others who have not. What is the current employment level?

Mr. COSTANZO. In fiscal year 1990?

Mrs. BOGGS. Yes.

Mr. COSTANZO. I think it is 140 FTEs.

Mr. SMITH. That is correct. However, we have 15 vacancies at the present time.

Mr. COSTANZO. We are authorized 140, but because of the hiring freeze, we now have 15 vacancies that cannot be filled. We have initiated a request for an exception from the freeze and we are hopeful that it will be approved.

Mrs. BOGGS. And so you are under the freeze.

Mr. DOLA. Yes, we are, Madam Chairwoman, it does apply to Arlington Cemetery, as well as the Civil Works program, as we testified before your subcommittee.

Mrs. BOGGS. If you have the funds to support a higher staffing level, why is that so?

Mr. COSTANZO. I can't understand it either, Madam Chairwoman, but we are.

Mr. DOLA. Well, it is a DOD-wide policy of the Secretary of Defense, and exceptions are granted on a position by position basis, and we have pending a request for an exception for 13 of the 15 current vacancies.

### DECLINE IN POSITIONS

Mrs. BOGGS. Mr. Green?

Mr. GREEN. You show a decline in permanent positions from 1989 to 1991, but you show an increase in FTE of seven. Can you explain why those went in opposite directions?

Mr. DOLA. I will allow Mr.——

Mr. SMITH. The FTEs were down in 1989 because we had trouble hiring people in 1989. We reduced two full-time permanent positions in 1990 and 1991 through custodial contracting in the Administration building.

Mr. GREEN. Thank you.

Mrs. BOGGS. Anything else you would like to ask, Mr. Green?

Mr. GREEN. No.

Mrs. BOGGS. Anything else you would like to say?

Mr. DOLA. We want to thank you for having us this morning.

Mrs. BOGGS. Well, thank you very much. We appreciate the manner in which you have carried out your duties.

Mr. DOLA. We appreciate those remarks.

[The justifications follow:]

DEPARTMENT OF THE ARMY

U.S. ARMY MILITARY DISTRICT OF WASHINGTON

BUDGET JUSTIFICATION, FISCAL YEAR 1991

CEMETERIAL EXPENSES, DEPARTMENT OF THE ARMY

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## GENERAL STATEMENT

Arlington and Soldiers' and Airmen's Home National Cemeteries function as principal national shrines where public honor and recognition are accorded deceased persons interred/inurned in a setting of peace, reverence and natural beauty. Operational responsibility for these cemeteries is vested in the Secretary of the Army.

At the close of FY 1989 the remains of 228,459 persons were interred/inurned in these cemeteries. Of this total, 205,123 persons were interred and 9,414 remains inurned in the Columbarium in Arlington National Cemetery, and 13,922 remains were interred in the Soldiers' and Airmen's Home National Cemetery. The second 5,000 niche unit of the Columbarium was opened in April 1986 to accommodate inurnment of cremated remains of honorably discharged veterans not otherwise eligible for burial at Arlington. Construction of the next increment began last year. There were 3,051 interments and 1,155 inurnments by cemetery labor in FY 1989, which included 69 General and Flag Officers. It is estimated there will be 3,200 interments and 1,210 inurnments in FY 1990; and 3,360 interments and 1,270 inurnments in FY 1991.

In addition to its principal function as a national cemetery, Arlington is the site of many nonfuneral ceremonies each year. In FY 1989, approximately 1,900 such ceremonies were conducted. A like number of ceremonies is anticipated for Fiscal Years 1990 and 1991. The Vice President of the United States, 6 foreign heads of state, governors and other high-ranking military and political officials participated in these ceremonies in FY 1989. In FY 1989 President Ronald Reagan attended Veterans Day ceremonies. Arlington National Cemetery has approximately 4 million visitors annually.

Consistent with the objectives and goals of the Master Plan for Arlington National Cemetery initiated in FY 1967, construction of a new facilities maintenance shop will begin in FY 1991.

# LEAD-OFF TABULAR STATEMENT
($ in Thousands)

| | |
|---|---|
| Brought forward to FY 1989: | |
| Unobligated balance end of FY 1988 | $ 43 |
| Appropriation, FY 1989 | 13,195 |
| Obligations, FY 1989 | 12,836 |
| Unobligated balance available end of FY 1989 | 402 |
| Funds carried forward to FY 1990: | |
| Unobligated balance end of FY 1989 | 402 |
| Appropriation, FY 1990 | 12,374 |
| Obligations, FY 1990 | 12,776 |
| Appropriation Request: | |
| Appropriation Request, FY 1991 | 12,236 |
| Decrease in estimated obligations, FY 1991 | - 540 |
| Decrease in appropriation request, FY 1991 | - 138 |

## RECONCILIATION OF OBLIGATIONS AND APPROPRIATIONS
($ in Thousands)

| | Operations & Maintenance | Administration | Construction | Totals |
|---|---|---|---|---|
| A. FY 1989 Obligations | $6,586 | $311 | $5,939 | $12,836 |
| B. FY 1989 Appropriation | $6,620 | 332 | 6,243 | 13,195 |
| C. FY 1990 Obligations | 7,256 | 333 | 5,187 | 12,776 |
| D. FY 1990 Appropriation | 7,054 | 333 | 4,987 | 12,374 |
| E. FY 1991 Obligations | 7,125 | 333 | 4,778 | 12,236 |
| F. FY 1991 Appropriation | 7,125 | 333 | 4,778 | 12,236 |
| G. FY 1991 Increase or Decrease | | | | |
| Appropriation (Line F Minus D) | + 71 1/ | + 0 2/ | - 209 3/ | - 138 |
| Obligations (Line E Minus C) | - 131 | + 0 | - 409 | - 540 |

Justification:

1/ See Page 4

2/ See Page 5

3/ See Page 6

## JUSTIFICATION

1/ Operation and Maintenance of Arlington and Soldiers' & Airmen's Home National Cemeteries $7,125,000

| | |
|---|---|
| Appropriation Increase | $ 71,000 |
| Obligation Decrease | $131,000 |

Funds requested will provide for the cost of daily operations necessary to support an average of 18 interments/inurnments daily and for maintenance of approximately 628 acres. The remains of over 228,000 persons occupy existing graves and niches. In addition to the graves, there are 18 miles of roadways and walkways, and a number of historic sites and other buildings and structures located throughout the cemetery that require recurring maintenance. The Tomb of the Unknowns, the Memorial Amphitheater, the Visitors Center, the Administration Building, the Columbarium, and the graves of Presidents Kennedy and Taft are amoung the more well known edifices and historic sites that require constant maintenance. Facilities must also be maintained and equipped to house and repair cemetery vehicles and equipment.

Approximately 1,900 non-funeral events are projected for FY 1991 that will require the use of cemetery personnel, equipment and supplies to conduct these ceremonies. These ceremonies may involve the participation of the President and Vice President of the United States, Cabinet Officials, Members of Congress, Governors, Foreign Heads of State, and other military and political dignitaries.

A combination of commercial contractual services and civilian personnel are utilized to accomplish the operation and maintenance activities. Ground maintenance, security, headstone realignment, information reception at the new visitors center and custodial service are major functions performed by private firms. Most other functions, including the projected 4,630 interments/inurnments in FY 1991, will be accomplished by cemetery personnel utilizing 133 workyears.

JUSTIFICATION
- Continued -

2/ Administration $333,000

| | |
|---|---|
| Appropriation Increase | $ 0 |
| Obligation Increase | $ 0 |

This activity performs the essential management and administrative functions to include staff supervision of Arlington and Soldiers' and Airmen's Home National Cemeteries; responding to correspondence from The White House, Congress, other government agencies, and the general public; planning and programming, to include all construction projects; budget preparation; resource management; implementing policy decisions, to include interment/inurnment eligibility; and development and maintenance of significant statistical data essential to cemetery operations.

Funds requested will provide for the compensation, benefits and support costs of the personnel assigned to this function.

JUSTIFICATION
- Continued -

3/ Construction at Arlington National Cemetery $4,778,000

| | |
|---|---|
| Appropriation Decrease | $ 209,000 |
| Obligation Decrease | $ 409,000 |

In order to ensure that buildings, structures and other physical facilities are adequate to meet requirements dictated by its mission, Arlington National Cemetery requires an ongoing program to construct and renovate buildings, structures, roadways and walkways, and to develop parcels of land to make them suitable for gravesites. Also, in 1967 the Congress approved an Arlington National Cemetery Master Plan authorizing construction of 28 projects. To date, 25 of these projects have been funded or partially funded.

Funds requested for FY 1991 will provide for construction of a new facilities maintenance shop.

# DEPARTMENT OF DEFENSE - CIVIL

## CEMETERIAL EXPENSES, ARMY

## FEDERAL FUNDS

General and Special Funds

### SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, and not to exceed $1,000 for official reception and representation expenses; [$12,569,000, to remain available until expended] $12,236,000.

## LANGUAGE CHANGES

There are two proposed changes in the 1991 appropriation language:

Decrease amount to be appropriated from $12,569,000 to $12,236,000.

Delete "to remain available until expended".

## OBJECT CLASSIFICATION
($ in Thousands)

| | | FY 1989 Actual | FY 1990 President's Budget | FY 1990 Current Estimate | FY 1991 Estimate | Increase/ Decrease |
|---|---|---|---|---|---|---|
| 11.9 | Personnel compensation ---------------- | $3,127 | $3,267 | $3,273 | $3,290 | $ + 17 |
| 12.0 | Personnel benefits --------------------- | 680 | 810 | 806 | 683 | - 123 |
| 21.0 | Travel and transportation of persons --- | 1 | 3 | 3 | 4 | + 1 |
| 22.0 | Transportation of things --------------- | 3 | 3 | 3 | 3 | |
| 23.2 | Communications, utilities and other rent | 249 | 235 | 280 | 278 | - 2 |
| 24.0 | Printing and reproduction -------------- | 19 | 25 | 25 | 25 | |
| 25.0 | Other services ------------------------- | 2,297 | 2,366 | 2,226 | 2,333 | + 107 |
| 26.0 | Supplies and materials ----------------- | 340 | 446 | 411 | 431 | + 20 |
| 31.0 | Equipment ------------------------------ | 195 | 217 | 193 | 399 | + 206 |
| 32.0 | Land and structures -------------------- | 5,925 | 5,197 | 5,556 | 4,790 | - 766 |
| | Total direct obligations | $12,836 | $12,569 | $12,776 | $12,236 | $ - 540 |

## OTHER SERVICES, OBJECT CLASS 25
($ in Thousands)

| | FY 1989 Actual | FY 1990 President's Budget | FY 1990 Current Estimate | FY 1991 Estimate | Increase/ Decrease |
|---|---|---|---|---|---|
| Maintenance of Equipment | $ 30 | $ 49 | $ 49 | $ 61 | $ + 12 |
| Maintenance of Roads & Walks | 0 | 0 | 0 | 40 | + 40 |
| Maintenance of Water, Sewer & Elect. Systems | 10 | 78 | 18 | 30 | + 12 |
| Maintenance of Buildings | 31 | 24 | 0 | 40 | + 40 |
| Maintenance of Walls, Fences & Gates | 0 | 106 | 0 | 19 | + 19 |
| Maintenance of Flagstaffs & Monuments | 7 | 1 | 15 | 10 | - 5 |
| Security Contract | 658 | 625 | 624 | 636 | + 12 |
| Grounds Maintenance Contract | 910 | 946 | 947 | 984 | + 37 |
| Information Reception Contract | 41 | 100 | 129 | 135 | + 6 |
| Information Management System | 88 | 75 | 93 | 0 | - 93 |
| Custodial Contract | 102 | 101 | 131 | 135 | + 4 |
| Headstone and Realignment | 82 | 100 | 100 | 100 | |
| Tree Maintenance | 8 | 0 | 3 | 0 | - 3 |
| Other Recurring Contracts | 236 | 107 | 62 | 74 | + 12 |
| Electrical Upgrade Study | 15 | 0 | 0 | 0 | |
| Demolition Visitors Center Study | 30 | 0 | 0 | 0 | |
| Support Agreement w/MDW | 49 | 54 | 55 | 69 | + 14 |
| TOTAL | $2,297 | $2,366 | $2,226 | $2,333 | $ + 107 |

## PROGRAM AND FINANCING
($ in Thousands)

| | FY 1989 Actual | FY 1990 President's Budget | FY 1990 Current Estimate | FY 1991 Estimate |
|---|---|---|---|---|
| **Program by Activities** | | | | |
| 1. Operation and maintenance ---------- | $ 6,586 | $ 7,249 | $ 7,256 | $ 7,125 |
| 2. Administration --------------------- | 311 | 333 | 333 | 333 |
| 3. Special construction, Arlington National Cemetery ------ | 5,939 | 4,987 | 5,187 | 4,778 |
| 10.00 Total obligations -------------- | 12,836 | 12,569 | 12,776 | 12,236 |
| **Financing:** | | | | |
| 21.40 Unobligated balance available, start of year ----------------------- | - 43 | -- | -402 | -- |
| 24.40 Unobligated balance available, end of year ------------------------ | 402 | -- | -- | -- |
| 39.00 Budget Authority ---------------------- | 12,836 | 12,569 | 12,776 | 12,236 |
| 40.00 Appropriation ------------------------ | 13,195 | 12,569 | 12,569 | 12,236 |
| 40.00 Reduction pursuant to P.L. 101-144 ---- | | | -195 | |
| 43.00 Appropriation (adjusted) -------------- | 13,195 | 12,569 | 12,374 | 12,236 |
| **Relation of obligations to outlays** | | | | |
| 71.00 Obligations incurred, net ------------- | 12,836 | 12,569 | 12,776 | 12,236 |
| 72.40 Obligated balance, start of year ------ | 4,967 | 5,997 | 7,990 | 8,253 |
| 74.40 Obligated balance, end of year -------- | -7,990 | -5,859 | -8,253 | -8,219 |
| 90.00 Outlays ------------------------------- | 9,812 | 12,707 | 12,513 | 12,271 |

## DETAIL OF PERMANENT POSITIONS

| Grade | FY 1989 Actual | FY 1990 President's Budget | FY 1990 Current Estimate | FY 1991 Estimate |
|---|---|---|---|---|
| GS/GM-15 | 1 | 1 | 1 | 1 |
| GS/GM-14 | 1 | 1 | 1 | 1 |
| GS/GM-13 | 1 | 1 | 1 | 1 |
| GS-12 | 4 | 4 | 4 | 4 |
| GS-11 | 1 | 1 | 1 | 1 |
| GS-09 | 6 | 6 | 6 | 6 |
| GS-07 | 12 | 12 | 12 | 12 |
| GS-06 | 3 | 3 | 3 | 3 |
| GS-05 | 5 | 5 | 5 | 5 |
| GS-04 | 8 | 8 | 8 | 8 |
| GS-03 | 1 | 1 | 1 | 1 |
| Subtotal | 43 | 43 | 43 | 43 |
| Ungraded | 94 | 94 | 92 | 92 |
| Total Permanent Positions | 137 | 137 | 135 | 135 |
| Unfilled Positions, End of Year | 8 | | | |
| Total Permanent Employment, End of Year | 129 | 137 | 135 | 135 |

## NUMBER OF CIVILIAN PERSONNEL AND WORKYEARS AT END OF YEAR

| | FY 1989 Actual | | FY 1990 President's Budget | | FY 1990 Current Estimate | | FY 1991 Estimate | |
|---|---|---|---|---|---|---|---|---|
| | Full-time Permanent Positions | Work Year Total | Full-time Permanent Positions | Work Year Total | Full-time Permanent Positions | Work Year Total | Full-time Permanent Positions | Work Year Total |
| **End Strength** | | | | | | | | |
| 0861 Operations & Maintenance | 130 | 130 | 130 | 130 | 128 | 128 | 128 | 128 |
| 0864 Administration | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Total | 137 | 137 | 137 | 137 | 135 | 135 | 135 | 135 |
| **Workyears** | | | | | | | | |
| 0861 Operations & Maintenance | 130 | 126 | 130 | 135 | 128 | 133 | 128 | 133 |
| 0864 Administration | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Total | 137 | 133 | 137 | 142 | 135 | 140 | 135 | 140 |

## PERSONNEL SUMMARY

| | FY 1989 Actual | FY 1990 President's Budget | FY 1990 Current Estimate | FY 1991 Estimate |
|---|---|---|---|---|
| Total number permanent positions | 137 | 137 | 135 | 135 |
| Total compensable workyears: | | | | |
| Full-time equivalent employment | 133 | 142 | 140 | 140 |
| Full-time equivalent of overtime and holiday hours | 3 | 2 | 2 | 2 |
| Average GS grade | 7.37 | 7.37 | 7.37 | 7.37 |
| Average GS salary | $25,089 | $25,101 | $25,101 | $25,163 |
| Average salary of ungraded positions | $21,657 | $21,704 | $21,754 | $21,787 |

## STATUS OF ARLINGTON AND SOLDIERS' AND AIRMEN'S HOME NATIONAL CEMETERIES
31 DECEMBER 1989

| | Gravesite Capacity Developed Area | Gravesite Capacity Undeveloped Area | Total Gravesite Capacity | Total Gravesites Used | Total Gravesites Available | Projected Closing Date |
|---|---|---|---|---|---|---|
| Arlington National Cemetery | 232,211 | 35,750 | 267,961 | 188,683 | 79,278 | 2025 |
| Soldiers' and Airmen's Home National Cemetery | 14,009 | 0 | 14,009 | 13,567 | 442 | 2003 |

## STATUS OF COLUMBARIUM AT ARLINGTON NATIONAL CEMETERY
31 DECEMBER 1989

| Niche Capacity Developed Area | Niche Capacity Undeveloped Area | Total Niche Capacity | Total Niches Used | Total Niches Available | Projected Closing Date |
|---|---|---|---|---|---|
| 10,000 | 40,000 | 50,000 | 9,029 | 40,971 | 2017 |

THURSDAY, FEBRUARY 22, 1990.

# OFFICE OF CONSUMER AFFAIRS

## WITNESSES

BONNIE GUITON, Ed.D., SPECIAL ADVISER TO THE PRESIDENT FOR CONSUMER AFFAIRS AND DIRECTOR, U.S. OFFICE OF CONSUMER AFFAIRS

ANDREW L. POAT, DEPUTY DIRECTOR, U.S. OFFICE OF CONSUMER AFFAIRS

E. WAVERLY LAND, DIRECTOR, PLANNING, BUDGET AND EVALUATION, U.S. OFFICE OF CONSUMER AFFAIRS

## INTRODUCTIONS

Mrs. BOGGS. We will now hear from the Office of Consumer Affairs, please.

I hope I can pronounce your name.

Dr. GUITON. Guiton.

Mrs. BOGGS. We are very happy to have you with us, as Special Adviser to the President for Consumer Affairs and the Director of the United States Office of Consumer Affairs.

Mr. Poat, it is nice to have you with us, and Mr. Land, thank you very much for being here.

The Office of Consumer Affairs is requesting $1,889,000 for fiscal year 1991. This is an increase of $55,000 above the 1990 appropriations. The 1991 FTE level is 22, the same as 1990.

We are very happy to have you, Dr. Guiton, and we would like to hear your testimony, please.

Dr. GUITON. Thank you, Madam Chair and members of the subcommittee. I am delighted to be here, and I appreciate your time.

You have our written statement for the purpose of the record, so I would like to summarize my remarks.

Mrs. BOGGS. It will be placed in the record.

[The prepared statement of Bonnie Guiton and biographies of Bonnie Guiton, Andrew L. Poat and E. Waverly Land follow:]

# STATEMENT

BY

BONNIE GUITON, EdD.

Thank you Mr. Chairman.

This is my first opportunity to appear before you and the members of this Subcommittee in my role as Special Adviser to the President for Consumer Affairs and Director of the U.S. Office of Consumer Affairs. I am pleased to be here to justify our Fiscal Year 1991 budget request to support our efforts at the Federal level to represent the interests of consumers in the marketplace.

The President has filled key policy positions in the Executive Branch with individuals sensitive to the needs of the American consumer. I am very proud to be part of this team and to assist the President in creating a marketplace that is safe, fair and equitable.

Recognizing the need for representation of consumer interests in the development of domestic policy generally, the President has given me an operational role in the Office of Policy Development rather than the Office of Public Liaison to which this office reported during the last 8 years. This gives me the opportunity to participate in the creation of Administration policy--as I have recently on the product liability issue.

The budget we have requested in 1991 will allow us to play a critical part in assisting the President to respond to the needs of American consumers in our increasingly complex marketplace. We will concentrate our efforts on three primary concerns: the first is continuing consumer education for the public; second, addressing future concerns such as privacy of information and nutrition; and third, outreach to minority populations.

Let me first address the area of consumer education. Last year alone we distributed well over 500,000 copies of OCA publications to people who wrote in asking for them. We now have begun distribution of the 2 million copies of the 5th edition of our popular Consumers Resource Handbook. We expect to have adequate copies available at the Consumer Information Center in Pueblo to meet public demand until the printing of the 6th edition in October, 1991. We estimated several years ago that the Handbook saves the Federal government $8 every time a misdirected consumer complaint is avoided, and we believe the savings are even greater today. Twenty Federal agencies contributed $758,000 to print this latest edition. In 1991, we are asking for $275,000 to distribute over 560,000 Handbooks and other publications of vital interest to consumers through the Consumer Information Center. In fact, over 40% of all materials distributed so far this year by the Consumer Information Center have been OCA publications. There is no question that the Handbook is the book most widely distributed by the Federal Government, after income tax instructions. And much more popular, I would guess.

However, we don't want to stay just with the issues with which OCA have been identified. A major new challenge to consumers is the issue of privacy in the marketplace. I believe it will be the issue of the 1990s. Rapidly advancing computer technology, with all its benefits, has also led to inadequate protection of personal information collected about consumers by the financial services, medical and other insurance, and telemarketing industries. Consumers have lost too much control over the collection and transfer of this information, and as a result they feel violated and unprotected from abuse. I have been invited to testify on Fair Credit Reporting Act reform initiatives and I have organized a working group on telecommunications privacy which includes consumers, public interest groups and representatives from the industry. Also I have discussed the general issue of privacy and the consumer in several recent speeches before industry groups and in a number of press interviews. A public discussion of these issues will help us all forge a consensus.

Three other areas where I believe the Office of Consumer Affairs should become more involved are food safety, nutrition labeling and child care options. These are areas where new challenges to the consumers from changes in technology and in society are making old ways of doing things obsolete.

These new areas will not detract from our efforts in OCA's ongoing, successful programs. In the past, we have been deeply involved in some important topics that will continue to be major areas of staff activity. These include: international market place issues; special needs communities; National Consumers Week; and fraudulent advertising.

I am interested especially in international developments as they affect consumers. Both the European Community and Eastern Europe are arenas where USOCA can share its expertise in consumer complaint handling and other topics. We have already been sought out by companies and governments for our assistance as a result of our landmark study on consumer complaint handling. Of course, many countries also have experience to share with us. For example, many of the European countries have a more systematic program of privacy protections in the public and private sectors than do we. My position as head of the U.S. delegation to the Organization for Economic Cooperation and Development's Committee on Consumer Policy is also an avenue for exchanging views with consumer policy makers in other countries. In 1990, this Committee will complete papers on the consumer related aspects of product liability, deregulation of financial services, and agriculture policies in the 24 OECD member countries.

Another priority for OCA is outreach to consumers with special needs -- the elderly, those with disabilities, and minorities. We try to make our resources count by urging action at the community level. Last May, for example, along with the American Association of Retired Persons, the National Organization on Disability, and the Society of Consumer Affairs Professionals in Business, we cosponsored a seminar titled "Addressing the Consumer Problems and Concerns of America's

Elderly and Disabled Citizens." Another example is the consumer education workshop we conducted at the National Caucus and Center on the Black Aged, highlighting the vulnerability of the elderly to fraud. In addition, I've addressed such groups as the Black Women's Political Action Forum, the National Urban League Guild, and the Black Family Reunion Celebration/Leadership Forum of the National Council of Negro Women on the critical importance of active minority participation in consumer issues.

Furthermore, in describing our outreach efforts I would like to note for the record that we took special care with this edition of the Handbook to make it more accessible to consumers with limited reading skills. As you know, these consumers often need the most assistance and are * the hardest to reach.

In the coming year, the U.S. Office of Consumer Affairs will continue to be very active in demonstrating the importance of customer service to business. We will broaden our efforts to convince corporate executives of the significant competitive benefits to be realized by actively soliciting and resolving consumer problems. We will be aggressive in persuading and assisting both business and consumers to resolve problems without the need to resort to government involvement. In the past few years we have helped businesses to recognize and replicate the success of General Electric and other firms that now assure easy and prompt resolution of consumer complaints or inquiries, and which are realizing very substantial profits as a result. We have helped businesses see customer satisfaction as both a short-term and a long-term profit center. This is good for business, for American competitiveness, and for consumers. I see this as one of the primary strengths of OCA and I intend to build on it.

National Consumers Week 1989 was again a success. Organizations across the country promoted our theme "Consumers Open Markets." We cannot even estimate how many millions of consumers are reached each year, thanks to generous private sector support. OCA staff members are now working on NCW 1990--our theme is "1990: New Consumer Horizons"--and already we are laying the ground work for 1991.

I am pleased to remind you also that in June of 1991 the Federal Consumer Affairs Council, which I chair and for which OCA provides administrative support, will be sponsoring another of our popular Constituent Resource Expositions in the Caucus Room of the Cannon Building. We expect some 1,000 Congressional staff aides to meet with representatives of 40 Federal agencies. The primary objective is to improve handling of constituent inquiries and marketplace problems. We will distribute a guide for caseworkers called the Congressional Liaison Handbook which identifies staff in Executive agencies who handle specific complaints and inquiries, along with other publications to assist the members of your staffs to help your constituents.

The last area I want to bring to your attention is the effort the Office of Consumer Affairs expends in fighting fraud perpetrated against the consumer. We are an active member of the Alliance Against Telemarketing Fraud which strives to educate the public on the most common forms of fraud and how consumers can protect themselves against them. We contributed to a manual this organization is developing to identify characteristic fraud schemes and to list the organizations that oversee the laws regulating each form of fraud. In addition, our Direct Marketing Roundtables have helped create informal networks of consumer and industry representatives to share information about current scams. Often it is the reputable businesses that are the first to know about shady operators and these reputable businesses can provide immeasurable help to local enforcement agencies.

I believe that both the breadth and quality of our programs will continue to improve. Yet the return on investment to the taxpayer is greater than ever, because our program for 1991 differs very little from past years in total cost to the Treasury. Our budget request in 1991 shows a very modest increase of $55,000, of which $49,000 will be applied to salaries and benefits to offset the mandated and proposed pay raises.

Finally, Mr. Chairman and members of the Committee, I would like to emphasize that our request for $1,889,000 and 22 FTEs in Fiscal Year 1991 will provide the level of program activities you have said in the past is essential for proper representation of the interests of consumers in the Federal Executive Branch. Thank you for your concern and attention. I will now do my best to answer any questions you may have.

Office of Special Adviser to the President
for Consumer Affairs
Washington, D.C. 20201

## Biography of
## Bonnie Guiton

Dr. Bonnie Guiton was appointed by President Bush as his Special Adviser for Consumer Affairs and Director of the United States Office of Consumer Affairs on April 24, 1989.

Her role is best explained by the logo of the U.S. Office of Consumer Affairs: the joining of consumers, business, government, and educators, as equal partners, to address consumer problems and reach consensus on vital issues affecting consumers.

To help fulfill this role, Dr. Guiton participates in White House Office of Policy Development activities; chairs the Consumer Affairs Council, an organization of senior consumer officials from 41 Federal Agencies; and heads the U.S. delegation to the Committee on Consumer Policy of the Organization for Economic Cooperation and Development (OECD).

As Assistant Secretary for Vocational and Adult Education at the U.S. Department of Education, she successfully advanced the concept of basic skills in vocational-technical education. Her strong belief in partnerships, teamwork, and personal accountability aided her in this and many other accomplishments in both the private sector and public service.

Dr. Guiton's prior positions include Vice Chair of the U.S. Postal Rate Commission; Vice President with Kaiser Aluminum and Chemical Corporation; Executive Director of the Marcus A. Foster Education Institute; and Assistant Dean of Students and Lecturer at Mills College In California. She currently serves on the Board of Directors of the National Museum of Women in the Arts.

She is a recipient of the YWCA's TWIN award which honors women who have achieved major leadership roles in industry, the National Coalition of 100 Black Women's CANDACE award in Business, and the District of Columbia Distinguished Service Award.

She has a Bachelor's degree from Mills College, a master's degree from California State University at Hayward, and a doctorate in education from the University of California at Berkeley. Her dissertation analyzed a successful partnership between private industry and business educators.

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# Biography of
# Andrew L. Poat

President Bush appointed Andrew Poat to the position of Deputy Director, United States Office of Consumer Affairs in July, 1989. In this position, he serves as principal aide to the Special Advisor to the President for Consumer Policy and provides day to day management of the agency's $2 million budget and 22 employees. The Office of Consumer Affairs is responsible for representing consumer interests in administration policy development and regulatory affairs, and supports the White House Office of Economic and Domestic Policy.

Prior to joining the Bush Administration, Poat maintained a seven year affiliation with the Honorable Pete Wilson, beginning in 1982 as Assistant to the Mayor during Wilson's tenure as Mayor of San Diego. In 1983, Poat was named a Legislative Assistant when Wilson was elected to the United States Senate, and he subsequently served as Executive Assistant to the Senator as well as Issues Director in the 1988 California Senate campaign.

In May of 1985, a fourteen month interval of service as Special Assistant to the Honorable Bonnie Guiton, member of the United States Postal Rate Commission was inaugurated. This service concluded in 1986, at which time Poat rejoined the Wilson senate office.

Poat was graduated Phi Beta Kappa from the School of Public and International Affairs at the George Washington University in 1982. He is a native of San Diego, California, where he was appointed to membership on the Citizens' Advisory Commission on Racial Integration. He has served in a variety of roles in community and religious organizations both in San Diego and in Washington, D.C.

Office of Special Adviser to the President
for Consumer Affairs
Washington, D.C. 20201

# Biography of
# E. Waverly Land

E. Waverly Land joined the U. S. Office of Consumer Affairs (OCA) in January, 1990 as Director of Planning, Budget and Evaluation. In this capacity, he is responsible for all aspects of financial planning and management, administration services, program evaluation and contract administration.

Prior to joining OCA, Mr. Land was Chief of the Budget Formulation Branch in the Office of the Secretary Budget Analysis Division at the Department of Health and Human Services. There he supervised the preparation, justification and presentation of budget estimates for the appropriations in the Office of the Secretary, including OCA. In 1988, Mr. Land was a LEGIS Program Fellow in the office of Senator Terry Sanford.

Mr. Land began his Federal service in 1973 as a budget analyst with ACTION, the agency for volunteer service. There he was responsible for budgeting for the Peace Corps, VISTA and the Older Americans Volunteer Programs.

An honors graduate in English of St. Andrews Presbyterian College in Laurinburg, NC, Mr. Land was born in Newport News, VA. He has published two volumes of poetry and is the poetry editor of a literary magazine. In addition, he is an active volunteer in his community having served five years as a listener and trainer with a local crisis hotline and as one of the organizers of an AIDS support services network for his church.

## OPENING STATEMENT

Dr. GUITON. Thank you very much. The President has filled key policy positions in the Executive Branch with individuals sensitive to the needs of the American consumer, and I am very proud to be a part of this team and to assist the President in creating a marketplace that is safe, fair and equitable. In recognizing the need for representation of consumer interests in the development of domestic policy generally, the President has given me an operational role in the Office of Policy Development rather than the Office of Public Liaison to which this office reported during the last eight years.

The budget we have requested in FY 1991 will allow us to play a critical part in assisting the President to respond to the needs of American consumers, and we will concentrate our efforts on three primary concerns. The first is continuing consumer education for the public; second, addressing future concerns such as privacy of information and nutrition; and third, outreach to minority populations.

Let me first address the area of consumer education. Last year alone, we funded distribution of well over 500,000 copies of OCA publications to people who wrote in asking for them. We now have begun the distribution of about 2 million copies of the 5th edition of the popular *Consumer's Resource Handbook*. There is no question that the handbook is the most widely distributed consumer publication by the Federal government, after income tax instructions, and it is probably more popular, I would guess.

I would also say my hat is off to my predecessor, Virginia Knauer, who started that publication, and it has been certainly well-received.

However, we don't want to stay just with the issues with which USOCA traditionally has been identified. A major new challenge to consumers is the issue of privacy in the marketplace, and I believe it will be the issue of the 1990s.

Three other areas are food safety, nutrition labeling and child care options, and these are areas where new challenges face consumers from the changes in technology and in society which are making old ways of doing things obsolete.

These new areas will not detract from our efforts in USOCA's ongoing, successful programs. In the past we have been deeply involved in some important topics that will continue to be major areas of staff activities. These include international marketplace issues, special needs communities, National Consumers Week, and fraudulent advertising.

Another priority for USOCA is outreach to consumers with special needs: the elderly, those with disabilities and minorities. We try to make our resources count by urging action at the community level. And furthermore, in describing our outreach efforts, I would like to note for the record that we took special care with this edition of the handbook to make it more accessible to consumers with limited reading skills. As you know, these consumers often need the most assistance and are the hardest to reach.

In the coming year, the U.S. Office of Consumer Affairs will continue to be active in demonstrating the importance of consumer services to business. We will broaden our efforts to convince corporate executives of the significant competitive benefits that are realized by actively soliciting and resolving consumer problems.

National Consumers Week 1989 was again a success. And USOCA staff members are now working on 1990; our theme is "1990: New Consumer Horizons."

Also, in June of 1991, the Federal Consumer Affairs Council, which I chair, will be sponsoring another "Expo"—Constituent Resources Exposition in the Caucus Room of the Cannon Building, and we expect about 1,000 Congressional aides to meet with representatives of 40 Federal agencies. The primary objective is to improve handling of constituent inquiries and marketplace problems, and we were pleased last year to have Congressman Green to be our sponsor. And we thank you for that.

The last area I want to bring to your attention is the effort of the U.S. Office of Consumer Affairs in fighting fraud perpetuated against the consumer. We are an active member of the Alliance Against Telemarketing Fraud, which strives to educate the public on one of the most common forms of fraud and how consumers can protect themselves.

So finally, I would like to emphasize that our request for $1,889,000 and 22 FTEs in fiscal year 1991 will provide a level of program activities you have said in the past is essential for proper representation of the interests of consumers in the Federal Executive Branch.

Thank you for your concern and attention, and I will do my best to answer any questions you might have.

## PRINTING COST OF "CONSUMER'S RESOURCE HANDBOOK"

Mrs. BOGGS. Thank you very much.

The Consumer's Resource Handbook is updated by your staff, but the printing costs are covered by other Federal agencies. On page 11 of the justification, there is an indication that there may be a sharp decline in contributions. What were the printing costs of the current Handbook and how much of a decline in contributions may occur? When is the next printing scheduled, and what do you plan to do if the Federal agencies don't contribute sufficient funds to cover the cost of printing the Handbook?

Dr. GUITON. Presently we estimate the printing cost per handbook at about 46 cents, and the cost to mail, about 45 cents. So we expended a total of about $758,000 in printing the fifth edition.

One of our major contributors, the Defense Department, has indicated that it would no longer be able to support us because of budget constraints. A few other agencies also significantly reduced their contributions. The Postal Service, the last time they contributed it was $100,000, this time it was $25,000. So we are finding that there is going to be difficulty in getting the support we need to continue the Handbook.

We have looked at possible private funding for the book, at the request of the subcommittee last year. We found that for a couple of the companies that we approached, there just was not a large enough market for them. So we do have difficulty. As one of our alternatives, we could ask for full funding of both printing and distribution in our 1992 appropriation request.

We can look at other resources as well. Those private sector organizations that tell us how useful it is to them may also be able to assist us in the funding.

Mrs. BOGGS. Do you have any estimate of perhaps what the total decline in contributions may be?

Dr. GUITON. We don't at this point.

Mrs. BOGGS. When is the next printing scheduled?

Dr. GUITON. In 1992. 1992?

Mr. POAT. That is correct.

## PRIVACY OF CONSUMER INFORMATION

Mrs. BOGGS. In your statement, Doctor, on page 3, you mention the issue of privacy in the marketplace and what you have been doing in this area. What other Federal agencies are involved in privacy matters?

Dr. GUITON. Well, the FTC is also involved in privacy matters. The chair of the FTC testified the same time I did at the Fair Credit Reporting Act oversight hearing last fall, and I think for the most part there have been responses from other agencies. I have met with a number of other agencies, including the Commodity Futures Trading Commission, and the Department of Commerce, to talk about the issues of privacy throughout Federal agencies.

Mr. GREEN. Madam Chair, I would like to follow up on that if I may.

Mrs. BOGGS. Sure.

Mr. GREEN. It seems to me that the principal agencies involved, that I can think of off the top of my head, are not presidential agencies. I see you mentioned the FTC, the Federal Reserve Board, which are primarily involved in the consumer credit area. There has recently been a great deal of interest in the proposals of some telephone companies to provide information to the people called about the people who are calling, which would be the Federal Communications Commission jurisdiction's, or the state's public service commission jurisdiction. How do you see yourself as a Presidential advisor relating to these agencies which are independent?

Dr. GUITON. All of these agencies do participate in the Consumer Affairs Council, and they do so voluntarily. At our first meeting we had Roger Porter, Special Assistant to the President, to set the tone for consumer affairs for the Bush Administration, and he did address the issue of privacy and the importance of working together on that issue.

In our first efforts to find out what some of the major concerns were, we brought together a number of both private sector and government agencies to discuss the issue of privacy and how we might be able to address some of their major concerns. We intend to approach these issues by working together with other agencies.

Mr. GREEN. So at least at the present time the Federal Reserve Board and the Federal Communications Commission are participating.

Dr. GUITON. Yes, sir.

## ENSURING CONSUMERS' PRIVACY

Mrs. **Boggs**. What is it that you believe needs to be done as far as legislation or regulations go in this area, and how do you see USOCA contributing to that effort?

Dr. **Guiton**. Well, I would say that our first approach has been toward more consumer education, because we find that many of the problems that exist are there basically because consumers don't understand how the system works, what information collected on them is used for, and how they might protect themselves.

We also believe that there is a great deal that industry can do to help protect consumers, and they can do it much quicker than the legislative process. We know that privacy is not a new issue, it has been around for many, many years. There has been legislation proposed and much that has never gone forward. Many bills now are awaiting action.

We think that there should be changes in the Fair Credit Reporting Act, and I testified to that extent. We have made some general proposals that we believe are important, such as letting consumers know what information is being collected on them and for what purpose it is being used. We must ensure that information that is collected on consumers is used solely for the purpose for which it is collected, and not for other purposes. When there is information being collected, the consumers should know why, and they should have an opportunity to opt out from use of that information for other purposes, such as direct marketing approaches or receiving information that they may not necessarily want to receive.

We also think that there needs to be some remedy for the amount of time negative reports are kept on consumers, particularly when the problem, say on a credit record, is a minor offense. It doesn't deserve seven years of hard labor, as we might call it.

And so we think there are legislative remedies that would help consumers. We see privacy as an issue that needs to be addressed across the board through partnerships with various consumer organizations, businesses, and consumers themselves.

## TELEPHONE NUMBERS ON CREDIT CARD RECEIPTS

Mrs. **Boggs**. Have you, just a little nitpicking I did, have you approached the problem of people who demand your telephone number on your credit card purchases?

Dr. **Guiton**. We certainly have. Through our monthly newsletter that goes out to over 7,000 organizations we have addressed information requested on the credit card receipts, putting telephone numbers on them, particularly. We are working with American Express and they have indicated their interest in this issue. They plan on coming up with some tips for consumers to protect their privacy, and to let them know what their rights are.

We know that the Bank Card Holders of America, a non-profit organization which helps bankcard holders become informed consumers, have put out cards to consumers that say that you are not required to put your telephone number on credit card receipts.

Mrs. **Boggs**. What they need to do is to send out directives to the people who accept their credit cards and their business establishments, restaurants, and so forth.

Dr. **Guiton**. I believe they have done that as well. There was quite a bit of press on this a few months ago when this organization addressed the fact that credit cards usually cannot be used to cover returned checks, for example. So therefore, putting credit card numbers on a check by a consumer does not necessarily protect the retailer—in fact, it should not be done.

We can do more to inform the consumer, I am sure.

### USOCA DISTRIBUTION COSTS

Mrs. **Boggs**. It touches so many consumers.

The justification indicates on page 15 that $275,000 of your 1991 request is for reimbursement to the Consumer Information Center to cover the USOCA share of publication distribution costs. How much did you reimburse CIC for such costs in 1989?

Dr. **Guiton**. I will let Waverly Land respond to that one for you.

Mr. **Land**. We reimbursed CIC $300,000 in 1989 for distributing 588,000 publications.

Mrs. **Boggs**. Why are you reducing the amount of reimbursement to CIC by $25,000 in 1990 and in 1991?

Mr. **Land**. In 1990 we are subject to the sequestration of $25,000 and to the reduction of another $29,000 in the appropriations bill itself. In light of the committee request that we fully fund 22 FTEs, we had very little choice about where we could take the cut. In 1991 we have been held to our 1990 level, plus some partial offset for pay raises, so we could not increase our CIC reimbursement.

Mrs. **Boggs**. What will the impact of that reduction be in your estimation?

Dr. **Guiton**. It will mean fewer publications that we will be able to send out to consumers.

### STAFFING LEVELS

Mrs. **Boggs**. The committee did not agree with your 1990 budget request to reduce the number of FTEs to ten. The committee felt that OCA should maintain a staffing level of 22. The 1991 budget indicates 22 FTEs in 1990 and also in 1991.

How many employees are currently on board?

Dr. **Guiton**. Presently we have 22 live bodies on board. That includes one reimbursable FTE, who is on loan to this committee. We anticipate having 22 FTEs in 1990.

Mrs. **Boggs**. Why were there only 19 in 1989?

Dr. **Guiton**. I believe that due to the transition. We did not have a General Counsel on board. When I came on board I hired a General Counsel. And we did not have a deputy in the public affairs office, so we brought one of them in as well.

Mrs. **Boggs**. Will the 1990 and 1991 budget as shown in the justification support 22 FTE in each year, including the January 1990 and the January 1991 pay raises?

Dr. **Guiton**. Yes, they will.

Mrs. **Boggs**. Can you explain that to us?

Dr. **Guiton**. Well, because Waverly used his magic pen and told you. Waverly?

Mr. **Land**. We believe that we will be able to fully fund 22 FTEs in 1990 and 1991. We did not receive a full increment for pay raises in 1991 from OMB, but we still believe that we can squeak money here and there in order to fully fund 22 FTEs.

Mrs. **Boggs**. You are requesting $1,889,000 and 22 FTEs in 1991. What did you request of OMB, both dollars and FTEs for 1990?

Mr. **Land**. Our request to OMB was $2,078,000, and 22 FTEs. In line with how OMB handled all requests and in making the determinations for the President's budget, they used 1990 enacted appropriations as a baseline. We were reduced accordingly. But it was a minor reduction, and we will be able to fund everything we have requested in our budget.

Mrs. **Boggs**. Thank you very much.

Bill?

Mr. **Green**. I have no further questions.

Mrs. **Boggs**. Thank you so much. It was nice to have all of you with us.

Dr. **Guiton**. Thank you very much.

[The justifications follow:]

# UNITED STATES OFFICE OF CONSUMER AFFAIRS

# Estimate of Appropriations for Fiscal Year 1991

# OFFICE OF CONSUMER AFFAIRS

## I. PURPOSE OF FY 1991 REQUEST

The goal of the United States Office of Consumer Affairs (OCA) is to encourage business and government to recognize the interests and responsibilities of consumers in the free enterprise system. To achieve that goal, the staff of OCA presents the viewpoint of consumers within the Federal government, fosters consideration of the consumer's interest by other governmental agencies, voluntary groups and business, and seeks to help individual citizens deal more effectively in the marketplace.

The OCA Director serves as the Special Adviser to the President for Consumer Affairs; Chairperson of the Consumer Affairs Council; and, heads the U.S. delegation to the Organization for Economic Cooperation and Development's Committee on Consumer Policy. She provides advice to the White House staff on significant consumer related policy initiatives, coordinates the consumer related activities of 41 Federal agencies which are members of the Consumer Affairs Council, and directs a staff of 22 persons in implementing the provisions of Executive Orders 11566, 11583 and 12160.

## II. FY 1991 REQUEST COMPARED WITH FY 1990 APPROPRIATION

| | | Budget Authority | Full-time Equivalent Employment |
|---|---|---|---|
| 1. | FY 1990 Appropriation | $1,834,000 | 22 |
| 2. | Proposed Changes | | |
| | January 1991 general and SES pay raises, in-grade raises | +44,000 | |
| | Benefits | + 5,000 | |
| | Reduction in transportation charges (move in 1990) | -25,000 | |
| | Inflation-related increases | +31,000 | |
| 3. | FY 1991 Appropriation Request | $1,889,000 | 22 |

## 4. Program Implications

There will be no significant program changes in FY 1991 resulting from the funding changes listed in 2, above. Small shifts in staffing and funding allocated to the major OCA program objectives listed on page 3 primarily relate to the labor intensive biennial update of the *Consumer's Resource Handbook* to be undertaken in FY 1991.

While OCA will provide the staff to update the text and cover the cost of typesetting the *Consumer's Resource Handbook*, Federal agency members of the Consumer Affairs Council will again be requested to cover the cost of printing. But, it is possible that Federal agency contributions for printing may be significantly less than needed to ensure that stock levels at the Consumer Information Center (CIC) are adequate to meet requests from the general public. Options under consideration to meet a possible deficit include seeking private sector sponsorship to cover requests to CIC from the general public. Federal funding for printing would be used to cover copies distributed by sponsoring agencies, and copies distributed to members of Congress (for redistribution to constituent groups and individuals), libraries, the media, and to professionals in government, business and community organizations who are responsible for counselling individual citizens.

Major new program initiatives will be undertaken in FY 1991 when there appears to be significant opportunity to present a consumer perspective that would not otherwise be considered, when it is likely OCA participation would result in a substantial change that would benefit consumers, and when OCA has the resources and technical expertise to make a meaningful contribution.

As in the past, the private sector will be encouraged to participate in a wide range of consumer related initiatives sponsored by OCA and to share in the funding of individual and recurring activities thus reducing the costs to the Federal government.

See page 9 for details of the program for FY 1991.

## III. PROPOSED APPROPRIATION LANGUAGE

### Office of Consumer Affairs

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, ($1,834,000) *$1,889,000*. *(Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990*.)

## IV. SPECIFIC PROGRAM OBJECTIVES OF THE OFFICE OF CONSUMER AFFAIRS ($000)

| | FY 1989 | | FY 1990 | | FY 1991 | |
|---|---|---|---|---|---|---|
| Objective | FTE | $ | FTE | $ | FTE | $ |
| 1. Increase innovation, competition and consumer choice in the marketplace | 5.5 | $391 | 8.1 | $560 | 6.6 | $480 |
| 2. Help consumers function more effectively in the marketplace | 8.3 | $887 | 7.3 | $792 | 8.3 | $877 |
| a) Improve consumer education | (4.3 | $305) | (3.8 | $269) | (4.3 | $312) |
| b) Information programs | (4.0 | $282) | (3.5 | $248) | (4.0 | $290) |
| c) Distribution of publications | ( | $300) | ( | $275) | ( | $275) |
| 3. Domestic legislative/ regulatory proposals | 1.3 | $ 98 | 1.5 | $109 | 2.0 | $145 |
| 4. International activities | 1.1 | $ 84 | 1.5 | $109 | 1.5 | $113 |
| 5. Consumer Affairs Council | 0.6 | $ 42 | 0.6 | $ 46 | 0.6 | $ 48 |
| Administration/ Executive Direction | 2.7 | $196 | 3.0 | $218 | 3.0 | $226 |
| TOTAL | 19.5 | $1,698 | 22 | $1,834 | 22 | $1,889 |

## V. SELECTED EXAMPLES OF RECENT ACCOMPLISHMENTS

### Objective No. 1 -- Increase innovation, competition and consumer choice in the marketplace.

One of the highest priorities of OCA is to bring together decision-makers from business, government, and interest groups to find better ways to solve generic problems of the American consumer without regulatory action. In FY 1989, the President's consumer adviser met with principals from these groups on 115 occasions in conferences and small group meetings. The following are some examples of the results of these sessions and the more than 600 related staff meetings.

- Data on consumer attitudes provided by private industry, and information presented in Congressional oversight hearings, suggested the need to address issues such as the accuracy of, and third party access to, files on individuals containing detailed information on finances, health and purchases. Thus, beginning in June 1989, OCA hosted a series of meetings to identify opportunities to preserve consumer privacy within the context of vastly expanded information management technology. In attendance were representatives from the direct marketing, insurance, banking and credit industries, as well as consumer organizations, Congressional committees, and special interest groups such as the American Civil Liberties Union.

  Industry and consumer groups subsequently agreed that a voluntary effort was needed to better define privacy rights, promote industry self-regulation, and educate individuals and the media about legitimate consumer rights. The following exemplify subsequent action by the private sector:

  1. The Information Industry Association has formed a task force to identify viable alternatives for changes in privacy-related procedures.

  2. The Direct Marketing Association has revised member guidelines for use of mailing and telephone lists, and personal information protection.

  OCA is meeting with industry representatives to encourage voluntary action to protect the privacy of consumers as the communication industry begins to install devices which help protect telephone subscribers by automatically identifying callers, but which also enable collection of transaction-related information of value to business. OCA is encouraging industry to provide a "blocking" option for those consumers seeking to preserve their right to privacy of the caller. It prevents identification of the caller and also precludes aggregation of related data.

National leaders on the issue of consumer privacy have unequivocally stated that OCA has been the driving force for these and other positive measures by industry to adopt realistic procedures to better protect the privacy rights of U.S. consumers. (OCA cost: 1.5 FTE and $8,000 during the period June - December 1989.)

- Direct marketing of products and services is among the most common consumer complaints. For that reason OCA has cosponsored a series of nine "Dialogues" with the Direct Marketing Association over the last four years bringing consumer and government leaders together with industry experts from catalog, mail order, publishing, charities, telemarketing, sweepstake and related direct marketing companies. Substantive benefits have accrued to consumers through the contacts made and ideas conceptualized at these forums. For example, home shopping companies have adopted a program of improved consumer information disclosure practices. Some organizations have mounted an organized effort to stop the placement of fraudulent ads in the media, and the direct marketing industry has developed a system to help consumers remove their names from the lists maintained by organizations seeking charitable contributions. (OCA cost: 0.25 FTE)

- OCA efforts to help meet the needs of older Americans included periodic reinforcement of the National Energy and Aging Consortium (NEAC) through cosponsorship of conferences, seminars and publications. NEAC is a network of 50 organizations helping older Americans cope with high energy costs and related energy concerns. The OCA staff also frequently joined with interest groups in sponsoring seminars on addressing issues such as accessibility, communication needs and other problems and concerns of disabled and elderly citizens. (OCA cost: .75 FTE)

Objective No. 2 -- Help consumers function more effectively in the marketplace.

a. Improve consumer education by providing national leadership in efforts of educators, business and government.

- More than 600 national and local-level organizations participated in the Presidentially-proclaimed, OCA-sponsored, National Consumers Week, held April 23-29, 1989. Voluntary private sector contributions covered virtually all of the cost for the extensive print and audio/visual advertising. The campaign theme was "Consumers Open Markets." The week's attention focused on the ability of consumers to shape the markets of the world and to encourage improvements in those organizations that fail to meet consumers needs. (OCA cost: 2.0 FTE and $25,000).

- Responding to the needs of educators for additional curriculum material on consumer information and education, OCA also developed and released an update of "A Suggested Teacher's Guide to the Consumer's Resource Handbook." The Guide, intended as a supplement to the 1990 Handbook, adapts key information from the Handbook's first section into a format with two lesson units: One on seeking and evaluating purchasing information, and the other on effective complaint handling. The Guide is directed to secondary school programs but can be easily adapted for use at the elementary level and community-based adult education programs. (OCA cost: 0.25 FTE and $10,000 exclusive of publication distribution costs.)

- OCA has joined consumer, business, government and academia in a private-sector funded national survey of consumer competency, i.e., consumer knowledge of the marketplace. Early in 1990 a random sample of consumers will be tested to assess the ability of consumers to make price, quality and safety evaluations of goods and services. The survey will provide base data for development of consumer education strategies in such areas as money management, food, housing, health, and consumer protection; and, will help identify communities with special needs. (OCA cost: 0.25 FTE)

- The first group of a series of consumer education grants funded by the private sector with OCA sponsorship was released in October 1989. Individual grants of $9,000 will reach both on campus and community based adult audiences and are aimed at fostering consumer literacy including skills in money management and consumer rights and responsibilities. The innovative efforts include outreach to elderly consumers in a rural California community and teaching life skills to mentally handicapped adults in Pennsylvania. The grant program grew out of a national consumer education study co-sponsored by OCA and the American Association of Community and Junior Colleges. (OCA cost: 0.25 FTE)

- Advocacy of the Administration's "choice in education" initiative was another OCA priority in FY 1989. In addition to a series of speeches and interviews, the President's consumer adviser joined in the release and distribution of the new handbook, "Choosing a School for Your Child." The handbook provides parents with a check-list for selecting and enrolling a child in a school. (OCA cost: 0.1 FTE and publication distribution costs)

b. Inform constituent groups and individuals of governmental decisions and marketplace changes affecting them as consumers.

o The OCA staff completed work on the fifth edition of the Consumer's Resource Handbook, a "what to do, where to go" guide to getting consumer problems solved. The publication has been printed through funding provided by 20 Federal agencies. Almost six million copies of previous editions of the Handbook have guided consumers with problems directly to the most appropriate source of help, most frequently the business community. It provides a reliable reference tool not only for individual consumers but for offices and groups that consumers may contact for assistance. It also leads to a more efficient response to complaints and inquiries by both government and business. (OCA cost: 3 FTE and $56,000, exclusive of publication distribution cost, -- allocated equally to objectives 2a and 2b)

o In FY 1989 the OCA staff used the following comprehensive commercial print and audio/visual communication systems, and public appearances to reach individual consumers and leaders of constituent groups with information on topics of vital interest to the public: (OCA cost: 2.5 FTE and $90,000)

-- Consumer News, a monthly newsletter, distributed to 6,000 decision-makers;

-- A 500-word pilot news column targeted to young adults featuring "Eubie Smart", an OCA cartoon character, to encourage consumer awareness;

-- 33 speeches to business, consumer and community groups;

-- Editorials and by-lined columns in trade publications and major media;

-- 37 interviews and news conferences with print and broadcast media reporters; and,

-- Three video news releases on significant consumer topics sent by satellite to 900 TV stations.

c. Utilize the facilities of the Consumer Information Center to distribute vital information to the public.

o 588,702 OCA publications were distributed during FY 1989 at a cost to OCA of $300,000.

Objective No. 3 -- Provide a consumer viewpoint in legislation, regulations and other domestic policy proposals.

- Since April, 1989, there has been an increase in OCA resources committed to inclusion of a consumer perspective in reviews of proposed legislative, regulatory, and domestic policy proposals. Senior OCA staff officers provided advice on a wide range of issues as part of the White House policy formulation process. The OCA also recommended improvements in proposed legislation as part of the OMB "Legislative Referral Memoranda" process. In addition, the staff provided advice to other Federal agencies on the merits and implications of proposed regulatory and program changes having a major impact on consumers.

  The formal comments on legislative proposals provided directly to OMB in FY 1989 included: H.R. 1292, protecting airline ticket holders by amending the "Federal Aviation Act of 1958" which relates to transportation bankruptcy policies; H.R. 2230, the "Equity in Interstate Competition Act of 1989," relating to collection of taxes on sales of personal property delivered across state lines; and H.R. 736, the "Truth in Savings Act," requiring additional information on rates and costs from depository institutions. In the first quarter of FY 1990, formal comments on legislation included: H.R. 3180, the "Government Check Cashing Act of 1989," and H.R. 3181, the "Basic Banking Services Access Act of 1989." The OCA Director testified in an oversight hearing before the House Banking Subcommittee on Consumer Affairs and Coinage considering revisions to the Fair Credit Reporting Act.

- OCA management presented a consumer perspective in the establishment of U.S. and international product and service performance and safety standards through participation in the Federal Inter-agency Committee on Standards Policy, and in meetings of advisory groups to the American National Standards Institute and Underwriters Laboratory.

Objective No. 4 -- Represent the interest of U.S. consumers in international governmental and private forums.

- The OCA Staff provided support to the President's consumer adviser in her capacity as head of the U.S. delegation to, and Vice Chairperson of, the Committee on Consumer Policy of the 24 member nation Organization for Economic Cooperation and Development (OECD).

- In FY 1989 the Committee evaluated and exchanged information with other member nations on product safety standards, deregulation of financial services, agriculture policies in member countries, product liability and other topics.

Objective No. 5 -- Guide the Consumer Affairs Council in improving the cost effectiveness of Federal programs.

- The Consumer Affairs Council (CAC) consists of senior consumer policy officials designated by the heads of 41 Federal departments and agencies. The CAC has served the past two Administrations as the primary means of leadership and coordination of Federal consumer programs. The Council's emphasis has been on providing the information and guidance agencies needed to put Administration consumer policies and priorities into practice, and the training to upgrade the skills of agency consumer affairs personnel.

- Since 1981, OCA has taken a lead role in eliminating Federal waste and duplication caused by misdirection of constituent complaints and inquiries received by members of Congress. OCA collaborates with Congressional offices in organizing a "Constituent Resource Exposition" for each new Congress. In June 1989, representatives of 36 CAC member agencies participated in OCA's fifth biennial "Constituent Resource Exposition" in the Cannon Caucus Room on Capitol Hill to explain agency programs and to distribute sample publications and other materials to the estimated 800 Congressional constituent service staffers who attended.

  OCA also distributed its updated Congressional Liaison Handbook, which directs Congressional staff to the appropriate agency liaison officials.

## VI. MAJOR PROGRAM INITIATIVES IN FY 1991

Objective No. 1 -- Increase innovation, competition and consumer choice in the marketplace.

- OCA will lead in bringing together business, government and consumer groups in protection of the consumer's right to privacy in: Credit and other financial activities; caller ID and unsolicited aggregation and dissemination of data resulting from use of telephones and other communication devices; and, on the unrestricted release of records on personal health care.

- The OCA staff will continue to monitor technological changes and encourage industry groups to adopt practices and model codes designed to reduce fraudulent and deceptive telemarketing activities thereby avoiding imposition of restrictive governmental regulations.

- A continuing priority will be to reduce the vulnerability of older Americans to fraud. Many of the most vulnerable are low-income persons who are not reached through the media or organizations that are effective with more affluent, less isolated consumers. OCA will work with leaders of minority and elderly organizations, religious groups and social service organizations to increase consumer awareness and resistance to deception.

Objective No. 2 -- Help consumers function more effectively in the marketplace.

a. Improve consumer education by providing national leadership in efforts of educators, business, and government.

o A central part of OCA's adult literacy initiative will be to continue to encourage partnerships with the American Association of Community and Junior Colleges and private businesses. The goal of these partnerships will be to better prepare citizens to meet the needs of American industry and, simultaneously, to sharpen marketplace skills, thereby effectively increasing personal income and reducing the need for governmental support programs.

o FY 1991 programs will also continue support of consumer education and information for low-income, minority, elderly and disabled consumers. For example, OCA will work with such organizations as the National Association of Elementary School Principals and the National Association of Community Action Agencies to identify and encourage adoption of innovative programs for low income and disadvantaged children.

o National Consumers Week will again recognize and promote the vital role of consumers in the U.S. competitive free enterprise system. As in the past, business, education and local communities will cover the cost of the estimated 600 individual local activities. OCA will focus on local and regional information programs to more effectively reach individual citizens.

b. Inform constituent groups and individuals of governmental action and marketplace changes affecting them as consumers.

o The program for FY 1991 envisions increasing speeches to policy groups from 33 in FY 1989 and 40 in FY 1990 to 45 in FY 1991, and increasing the number of media interviews from 37 in FY 1989 to 70 in FY 1990 and FY 1991. The "Eubie Smart" column distributed to 6,000 weekly and monthly newspapers was discontinued in early FY 1990. Data from a clipping service confirmed the marginal value of the column.

o A sixth edition of the Consumer's Resource Handbook will be developed in cooperation with other Federal agencies. The

Handbook is designed to help citizens reach the most appropriate source of help for resolving their questions or complaints. The Handbook saves Federal funds by avoiding misdirected correspondence and telephone calls. OCA will provide the staff to revise the Handbook, cover the cost of typesetting, and cover the cost of distributing copies through the Consumer Information Center (CIC). In the past as many as 20 Federal departments and agencies have joined together to cover the cost of printing the Handbook, including the one million copies historically needed at CIC for the two year distribution cycle to meet requests from individual citizens. However, comments received from officials of major contributing agencies strongly suggest that there may be a sharp decline in contributions for printing. Because of the significant benefit to both government and individual citizens, OCA will seek to continue distribution of the Handbook with priority to (a) the needs of sponsoring agencies, (b) members of Congress with limited redistribution to constituents, (c) libraries, (d) the media (e) professionals in government and community groups who guide and counsel individuals, and (f) individual citizens requesting copies through CIC.

Private sector publishing firms have not expressed interest in commercial sale of the Handbook. Thus, OCA is considering alternatives in the event that agency funding is insufficient. It is likely that OCA will seek corporate sponsorship for some, and possibly all, of the one million Handbooks scheduled to be distributed through CIC in FY 1992 and FY 1993.

c. Utilize the facilities of the Consumer Information Center to distribute vital information to the public.

o Approximately 560,000 OCA sponsored publications, including an estimated 480,000 Consumer's Resource Handbooks, will be distributed through the facilities of the Consumer Information Center for $275,000 (unit cost 49 cents).

Objective No. 3 -- Provide a consumer's viewpoint in legislation, regulations and other domestic policy proposals.

The OCA staff will more actively participate in major policy initiatives. In FY 1991, OCA will respond to approximately nine Legislative Referral Memoranda from OMB, compared with three in FY 1989 and an estimated six in FY 1990. Also in 1991, OCA will conduct approximately 30 regulatory/policy analyses, compared with 10 in FY 1989 and an estimated 20 in FY 1990.

Monthly issues of OCA's Consumer News sent to 6,000 consumer leaders and media will continue to alert readers to significant consumer-related regulatory actions initiated by Federal agencies, as well as Administration actions on consumer related legislative activities.

In FY 1991 the OCA staff will continue to present a consumer perspective in the establishment of U.S. and international product/service performance and safety standards through participation in the Federal Inter-agency Committee on Standards Policy and in meetings of advisory groups.

Objective No. 4 -- Represent the interests of U.S. consumers in international governmental and private forums.

As the European Community (EC) nears the 1992 deadline for completion of its integration into a common market, OCA will work through the OECD and other forums to urge that EC standards, such as those related to product safety, do not become non-tariff trade barriers. In FY 1991 the OECD Committee on Consumer Policy will complete and publish papers on agriculture, financial services and product liability. Also in FY 1991 the Committee on Consumer Policy will examine new technology and its effect on marketing, and review the findings of a member country survey being conducted in 1990 on telemarketing, home shopping and interactive video.

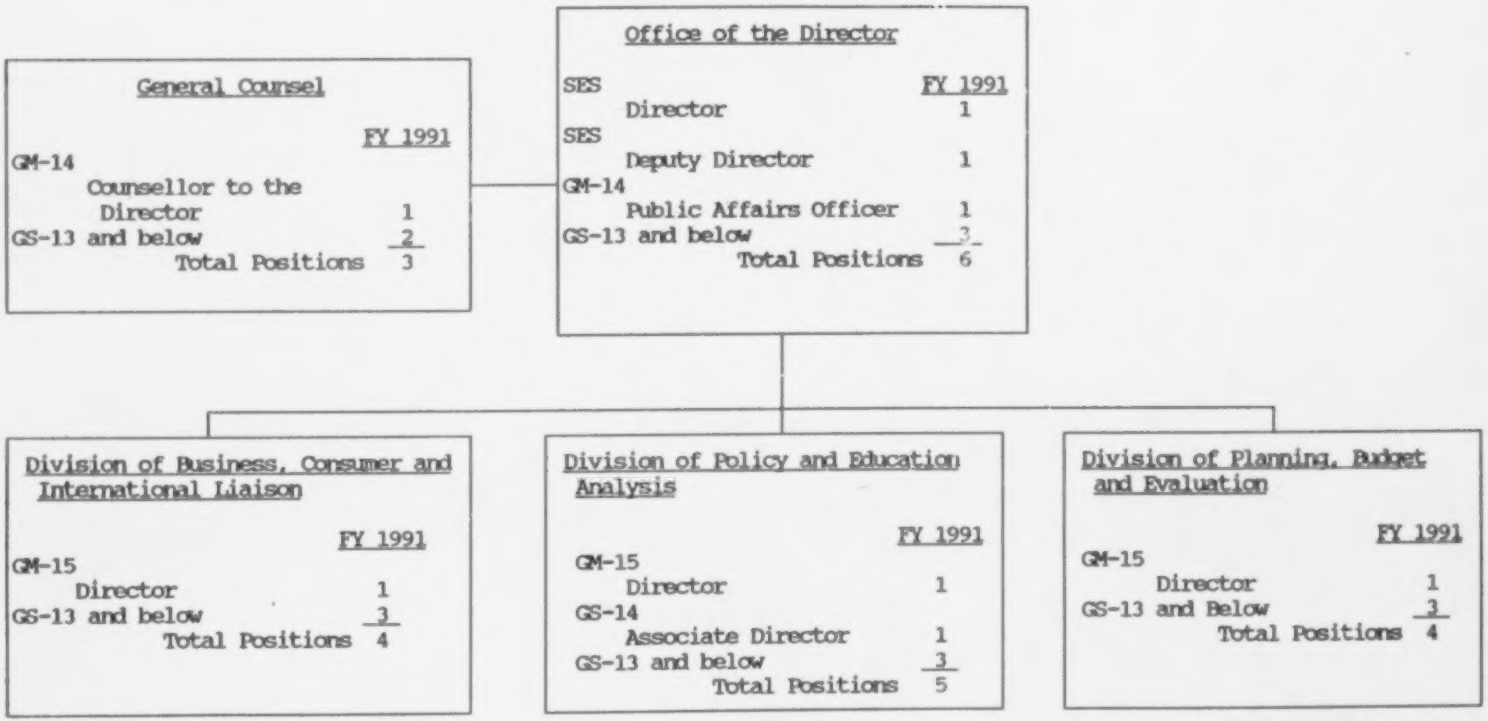
Objective No. 5 -- Guide the Consumer Affairs Council in improving the cost effectiveness of Federal consumer programs.

In the second quarter of FY 1991, OCA will work through the CAC to coordinate agency participation in the sixth biennial "Constituent Resource Exposition." The popular Congressional Liaison Handbook will be updated and distributed to participants.

In FY 1991, the Council will continue its series of training programs for Federal consumer affairs professionals and related staff in such areas as improving the cost effectiveness of consumer information, education and complaint handling.

UNITED STATES OFFICE OF CONSUMER AFFAIRS

Proposed FY 1991 Staffing



**Office of the Director**

| | FY 1991 |
|---|---|
| SES | |
| Director | 1 |
| SES | |
| Deputy Director | 1 |
| GM-14 | |
| Public Affairs Officer | 1 |
| GS-13 and below | 3 |
| Total Positions | 6 |

**General Counsel**

| | FY 1991 |
|---|---|
| GM-14 | |
| Counsellor to the Director | 1 |
| GS-13 and below | 2 |
| Total Positions | 3 |

**Division of Business, Consumer and International Liaison**

| | FY 1991 |
|---|---|
| GM-15 | |
| Director | 1 |
| GS-13 and below | 3 |
| Total Positions | 4 |

**Division of Policy and Education Analysis**

| | FY 1991 |
|---|---|
| GM-15 | |
| Director | 1 |
| GS-14 | |
| Associate Director | 1 |
| GS-13 and below | 3 |
| Total Positions | 5 |

**Division of Planning, Budget and Evaluation**

| | FY 1991 |
|---|---|
| GM-15 | |
| Director | 1 |
| GS-13 and Below | 3 |
| Total Positions | 4 |

OBJECT CLASSIFICATION (in thousands of dollars)

| | FY 1989 actual | FY 1990 estimate | FY 1991 estimate |
|---|---|---|---|
| Personnel compensation: | | | |
| 11.1 Permanent positions.............. | 655 | 839 | 882 |
| 11.3 Positions other than permanent.... | 89 | 35 | 36 |
| 11.5 Other personnel compensation...... | 11 | 12 | 12 |
| Total personnel compensation.... | 755 | 886 | 930 |
| 12.1 Civilian personnel benefits........ | 94 | 125 | 130 |
| 13.0 Benefits for former personnel...... | 0 | 0 | 0 |
| 21.0 Travel and transp. of persons...... | 44 | 60 | 60 |
| 22.0 Transportation of things........... | 0 | 25 | 0 |
| 23.1 Rent paid to GSA.................. | 133 | 140 | 145 |
| 23.3 Comm., util., and misc. charges.... | 39 | 65 | 65 |
| 24.0 Printing and reproduction.......... | 152 | 90 | 95 |
| 25.0 Other services..................... | 440 | 395 | 414 |
| 26.0 Supplies and materials............ | 21 | 23 | 25 |
| 31.0 Equipment......................... | 20 | 25 | 25 |
| 99.0 Total obligations................. | 1,698 | 1,834 | 1,889 |

## UNITED STATES OFFICE OF CONSUMER AFFAIRS
## EXPLANATION OF ESTIMATE OF OBJECTS (DIRECT OBLIGATIONS)

11. Personnel Compensation - $930,000. Provides $882,000 for the equivalent full-time employment of approximately 21 persons in permanent positions, $36,000 for other than full-time employment, and $12,000 for overtime and awards.

12. Personnel Benefits - $130,000. Provides for contribution to the Civil Service Retirement Fund, Federal Employees Retirement Fund, Group Life Insurance, Health Benefits and Social Security payments.

21. Travel and Transportation of Persons - $60,000. Provides for essential contact with business and consumer organizations.

23.1 Rental Payments to GSA - $145,000. These funds are provided to the General Services Administration, pursuant to P.L. 92-313, to cover the cost of building space occupied by the OCA staff.

23.3 Communications, Utilities and Miscellaneous Charges - $65,000. Covers comprehensive telephone and telegraph services ($37,000) and postage and contractual mail services ($28,000).

24. Printing and Reproduction - $95,000. This amount will provide educational materials to consumer groups and individuals in keeping with minimum program requirements. Principal costs are: Revision of the Consumer's Resource Handbook ($10,000); a newsletter to media, educators, government, business and consumer leaders ($17,000); charges for an office copier machine ($35,000); periodic publications providing timely advice to consumers ($5,000); National Consumers Week educational materials ($10,000); Constituent Resource Exposition materials including the Congressional Liaison Handbook ($8,000); and, miscellaneous printing and addressing costs ($10,000).

25. Other Services - $414,000. Includes reimbursement to the General Services Administration (Consumer Information Center) to cover the OCA share of publication distribution costs ($275,000); contribution to the HHS Working Capital Fund for administrative support ($36,000); contractual assistance in the development and distribution of timely information on consumer issues to be distributed through TV and radio satellite-linked systems ($30,000); office machine maintenance ($25,000); employee training ($12,000); computerized research charges ($15,000); work orders ($8,000); Public Health Service charges ($2,000); contracts for assistance in running the Constituent Resource Exposition ($6,000); and, other miscellaneous other services ($5,000).

26. Supplies and Materials - $25,000. For necessary office and operating supplies (pencils, papers, notebooks and other desk top supplies) and work materials such as periodicals and reference publications.

31. Equipment - $25,000. For acquisition and replacement of office equipment as required.

U.S. OFFICE OF CONSUMER AFFAIRS
PROGRAM AND FINANCING
(in thousands of dollars)

| | FY 1989 actual | FY 1990 estimate | FY 1991 estimate |
|---|---|---|---|
| Program by activities: | | | |
| 00.01 Direct program.................... | 1,698 | 1,834 | 1,889 |
| 01.01 Reimbursable program............. | 0 | 10 | 10 |
| 10.00 Total Obligations................. | 1,698 | 1,844 | 1,899 |
| Financing: | | | |
| 11.00 Offsetting collections from: Federal funds..................... | 0 | (10) | (10) |
| 25.00 Unobligated balance lapsing....... | 10 | 0 | 0 |
| 40.00 Budget authority (appropriation).. | 1,708 | 1,888 | 1,889 |
| 40.00 Reduction pursuant to P.L. 101-144 | 0 | (29) | 0 |
| 40.00 Reduction pursuant to P.L. 99-177 | 0 | (25) | 0 |
| 43.00 Appropriation (adjusted)..... | 1,708 | 1,834 | 1,889 |
| Relation of obligations to outlays: | | | |
| 71.00 Obligations incurred, net......... | 1,698 | 1,834 | 1,889 |
| 72.40 Obligated balance, start of year.. | 660 | 734 | 829 |
| 74.40 Obligated balance, end of year.... | (734) | (829) | (900) |
| 77.00 Adjustments in expired accounts... | 4 | 0 | 0 |
| 90.00 Outlays.......................... | 1,698 | 1,739 | 1,818 |

## U.S. OFFICE OF CONSUMER AFFAIRS
## PERSONNEL SUMMARY

| | FY 1989 actual | FY 1990 estimate | FY 1991 estimate |
|---|---|---|---|
| Total number of full-time permanent positions . . . . . . . . . . . . . . | 22.0 | 22.0 | 22.0 |
| Total compensable workyears: | | | |
| Full-time equivalent employment . . | 19.5 | 22.0 | 22.0 |
| Average ES salary . . . . . . . . . . . | 74,700 | 77,390 | 94,250 |
| Average GS grade. . . . . . . . . . . . | 10.6 | 10.7 | 10.7 |
| Average GS salary . . . . . . . . . . . | 34,625 | 39,552 | 39,700 |

## DETAIL OF PERMANENT POSITIONS

| Grades | FY 1989 actual | FY 1990 estimate | FY 1991 estimate |
|---|---|---|---|
| ES-06 . . . . . . . . . . . . . . . . . . | 1 | 1 | 1 |
| ES-01 . . . . . . . . . . . . . . . . . . | 1 | 1 | 1 |
| GM-15 . . . . . . . . . . . . . . . . . . | 3 | 3 | 3 |
| GM/GS-14 . . . . . . . . . . . . . . . . | 2 | 3 | 3 |
| GM/GS-13 . . . . . . . . . . . . . . . . | 2 | 1 | 1 |
| GS-12 . . . . . . . . . . . . . . . . . . | 1 | 1 | 1 |
| GS-11 . . . . . . . . . . . . . . . . . . | 3 | 4 | 4 |
| GS-10 . . . . . . . . . . . . . . . . . . | 0 | 0 | 0 |
| GS-09 . . . . . . . . . . . . . . . . . . | 3 | 2 | 2 |
| GS-08 . . . . . . . . . . . . . . . . . . | 2 | 2 | 2 |
| GS-07 . . . . . . . . . . . . . . . . . . | 2 | 2 | 2 |
| GS-06 . . . . . . . . . . . . . . . . . . | 0 | 0 | 0 |
| GS-05 . . . . . . . . . . . . . . . . . . | 2 | 2 | 2 |
| Total Full-Time Permanent Positions . . | 22 | 22 | 22 |
| Unfilled Positions, September 30 . . . | 2* | 1* | 1* |
| Total Full-Time Permanent Employment End of Year . . . . . . . . . . . . . | 20 | 21 | 21 |

* One position filled by Other Than Full-Time-Employee

THURSDAY, FEBRUARY 22, 1990.

# CONSUMER INFORMATION CENTER

## WITNESSES

**TERESA N. NASIF, DIRECTOR, CONSUMER INFORMATION CENTER**

**WILLIAM B. EARLY, JR., DEPUTY COMPTROLLER FOR BUDGET, GENERAL SERVICES ADMINISTRATION**

Mrs. BOGGS. We will hear now from the Consumer Information Center, and we are very happy to have Teresa Nasif, Director of the Consumer Information Center, and Mr. William B. Early, Deputy Comptroller for Budget for the General Services Administration.

The fiscal year 1991 budget requests $1,540,000 and 20 FTE, an increase of $201,000 over the 1990 appropriated level. We will be happy to have your statement now.

## OPENING STATEMENT

Ms. NASIF. Thank you, Madam Chair. I will summarize my opening statement.

This October, CIC is going to celebrate 20 years of success, providing a cost-effective nationwide system for Federal agencies to deliver vital information to the public.

This information covers a wide variety of subjects that significantly affect many aspects of our daily lives. They include topics such as health and safety, employment and credit rights, mortgage and housing issues, and Federal benefits.

Since its inception, CIC is proud to have filled requests from consumers throughout the country for 220 million publications. In recent years, budget constraints throughout the Federal establishment have prevented Federal agencies from undertaking significant new information efforts.

In general, agencies continue to fund current publication activities, but initiate new efforts only for the highest priority issues. Given these budget realities, CIC's media program is a vital link in delivering information to the public.

Through this program, CIC has traditionally promoted available Federal publications; and in a new initiative, we have also begun to provide helpful advice on consumer topics as they develop, even when a publication is not available.

CIC vigorously solicits the cooperation of radio and television stations, newspapers and magazines to publicize Federal information that consumers want and need to know about.

As an example of our success in the media area, television stations will donate air time valued at an estimated $6 million over a 12-month period to CIC's fiscal year 1990 public service announcements.

CIC's requested appropriation of $1,540,000 for fiscal year 1991 represents an increase of $201,000. It provides for a continuation of programs at fiscal year 1990 levels. However, the requested level modifies the trend over the last five years of using non-appropriated monies in the CIC Fund to cover increasing administrative expenses.

Since this pattern has led to a decline in the fund balance, we are requesting that the appropriation absorb a larger share of administrative expenses.

The appropriated portion would increase from approximately 65 percent of administrative expenses in fiscal year 1990 to slightly more than 70 percent in fiscal year 1991.

Madam Chair, as CIC approaches its third decade of dedicated service to the American public, we consider it a privilege and a challenge to play such an important role in consumer information and education.

We hope you will agree that the Consumer Information Center delivers valuable information to citizens throughout the country in a manner unsurpassed by any other program, and that our request merits favorable consideration.

Thank you for the opportunity. That concludes my summarized statement.

Mrs. BOGGS. Thank you very much.

[The prepared statement of Ms. Nasif follows:]

# GENERAL SERVICES ADMINISTRATION
# CONSUMER INFORMATION CENTER
# STATEMENT OF TERESA NASIF, DIRECTOR, CONSUMER INFORMATION CENTER BEFORE THE

Subcommittee on VA, HUD and Independent Agencies
Committee on Appropriations
House of Representatives

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to be here today to discuss the fiscal year 1991 budget request of the Consumer Information Center (CIC).

In October, CIC will celebrate 20 years of success: Providing a cost-effective, nationwide system for Federal agencies to deliver vital information to the public. This information covers a wide variety of subjects that significantly affect many aspects of our daily lives. They include topics such as health and safety, employment and credit rights, mortgage and housing issues, and Federal benefits.

CIC liaison officers work on a daily basis with more than 100 Federal program offices to help them identify and produce publications on subjects of concern to consumers. In that process, CIC also identifies and closely works with trade associations and private sector companies which have an interest in providing generic and unbiased consumer information to the public. These efforts with the private sector multiply limited Federal printing and distribution funds and have to date resulted in 51 individual cooperative Government/industry publications.

CIC publishes the quarterly Consumer Information Catalog as the primary tool to make consumers aware of the availability of Federal consumer information. We then coordinate fulfillment of the resulting orders from a distribution facility in Pueblo, Colorado. Since its inception, CIC is proud to have filled requests from consumers throughout the country for 220 million publications.

In recent years, budget constraints throughout the Federal establishment have prevented Federal agencies from undertaking significant new information efforts. In general, agencies continue to fund current publication activities, but initiate new efforts only for the highest priority issues.

Given these budget realities, CIC's media program is a vital link in delivering information to the public. Through this program, CIC has traditionally promoted available Federal publications and, in a new initiative, has also begun to provide helpful advice on consumer topics as they develop - even when a publication is not available. CIC vigorously solicits the cooperation of radio and television stations, newspapers, and magazines to publicize Federal information that consumers want and need to know about. As an example of our success in the media area, television stations will donate air time valued at an estimated six million dollars over a 12-month period to CIC's fiscal year 1990 public service announcements.

Because of agency printing budget constraints, CIC will also continue to explore the feasibility of using computer-based systems to complement the distribution of publications to consumers. These efforts include the use of on-line computer services as well as an in-house electronic bulletin board to disseminate Federal consumer information.

Each year, CIC carries out a number of projects to provide information to the public through a variety of direct marketing approaches. Examples include cooperative projects with the Internal Revenue Service (IRS) and the Department of Veterans Affairs (VA):

1. In fiscal year 1989, CIC printed six million mail-back cards promoting the availability of the Catalog and the Social Security Administration's Request for Earnings and Benefit Estimate Statement. IRS inserted these cards in mailings of supplemental tax forms requested by citizens throughout the nation.

2. Working with VA and the Department of the Treasury, CIC printed an insert offering free booklets which was included with three million VA compensation, pension, and education benefit checks mailed in June 1989. The offered subjects included Social Security benefits, starting a small business, and financing an education.

These two marketing projects resulted in orders from consumers for nearly 1.5 million publications during fiscal year 1989. Based on this success, CIC is repeating the projects in fiscal year 1990 and, within funding limitations, we plan similar projects in fiscal year 1991.

CIC's requested appropriation of $1,540,000 for fiscal year 1991 represents an increase of $201,000, which provides for a continuation of programs at fiscal year 1990 levels. However, the requested level modifies the trend of the last five years to use non-appropriated monies in the CIC Fund to cover increasing administrative expenses. Since this pattern has led to a decline in the Fund balance, we are requesting that the appropriation absorb a larger share of administrative expenses. The appropriated portion would increase from approximately 65 percent of administrative expenses in fiscal year 1990 to slightly more than 70 percent in fiscal year 1991.

Mr. Chairman, as CIC approaches its third decade of dedicated service to the American public, we consider it a privilege and a challenge to play such an important role in consumer information and education. We hope you will agree that CIC's time-proven and cost-effective program delivers valuable information to citizens throughout the country in a manner unsurpassed by any other program or activity and that, accordingly, our request merits favorable consideration.

Thank you for the opportunity to present this statement. I will be happy to answer any questions at this time.

### USING FUND BALANCES

Mrs. BOGGS. The CIC is asking for an increase of $201,000 in fiscal year 1991, a rather substantial increase for an agency of your size. In your justification, one argument for this increase is that your annual appropriation has not kept pace with the rise in operating costs.

Most other consumer agencies have suffered severe cutbacks over this period. Some would suggest that you have maintained your programs by tapping the fund instead of cutting programs like most others were forced to do years ago.

Is this a justified comment?

Ms. NASIF. Perhaps it is justified. We were very fortunate to have the balances in our CIC Fund during the years that our operating expenses increased. However, we have continued fulfilling our mandate of delivering vital information to the American public.

For example, the monies in the fund covered 15 percent of our administrative expenses in 1984; in fiscal year 1990, they are covering 35 percent of our expenses.

Even with the appropriated amount requested for fiscal year 1991, we may be doing some cost cutting because the fund balance is projected to decline to $63,000 at the end of fiscal year 1991.

So we are facing some tough decisions, and we are looking at various ways of either increasing revenue from other sources or cutting programs.

Mrs. BOGGS. Do you feel comfortable with this level?

Ms. NASIF. No, I don't feel comfortable with the level of $63,000 and so we are going to reduce the scope of our marketing projects in fiscal year 1990 and 1991, and of course would seek reprogramming approval from this committee.

With these economies, we project that the fund's level at the end of fiscal year 1991 will be closer to $200,000 rather than $63,000. We are planning to cut the amounts that we have budgeted for a telephone ordering system for consumers to get a copy of the Consumer Information Catalog.

We are also looking at ways to increase our revenue from the dollar user fee that consumers pay when they order two or more free publications. We are seeking to increase the revenue from that area.

Also in 1992 if we cannot afford it, we would very reluctantly have to cancel our television public service announcement for that year. It's, of course, not something that we do with any enthusiasm, but we certainly must live within our means.

So we are certainly looking at all the areas that we can in order to increase the fund balance.

### AGENCY REIMBURSEMENTS

Mrs. BOGGS. On Page 5 of your justification, you project reimbursements from agencies to increase between 1990 and 1991 by almost $200,000. Since fiscal year 1987, however, actual agency contributions have been decreasing.

If the agencies of this subcommittee are any indication, many agencies are absorbing budget cuts by reducing their contributions towards publication distribution. Therefore, is it reasonable to expect the agency contribution to increase?

Ms. **Nasif**. The $2.4 million that we are projecting for reimbursements from agencies is money that we collect on behalf of the Government Printing Office to pay them for distributing the publications from the Pueblo, Colorado facility. That amount is projected to increase because of increased postage and labor costs.

Unfortunately, another factor that contributes to a higher per unit cost for publication distribution is the fact that there are fewer free publications being distributed, so the unit cost per free publication increases.

Although many agencies have decreased the budgets available for publication distribution, the costs still spiral because of postage, labor, and the declining base of free publication.

So we are definitely anticipating that we would need at least that much money in order to distribute the number of booklets that are projected for fiscal year 1991.

We do an annual review every April of the distribution levels and project costs and, if necessary, make a mid-year adjustment to the figures.

Agencies are distributing fewer books, and unfortunately, it's costing them more per book to distribute.

Dr. Guiton mentioned a 45 cent unit cost. Two years ago, it was 34 cents. So the increasing costs for postage and labor, as well as the declining base in the number of free books, are hitting us very hard.

### DISTRIBUTION COST PER UNIT

Mrs. **Boggs**. We were wondering about the Federal facility. On Page 14 of your justifications you indicate there will be an 8.5 percent increase in the cost of distributing publications through that facility.

What was the average distribution cost per publication in FY 1989?

Ms. **Nasif**. In 1989, the actual cost was 42 cents. We had projected the cost to have been 34 cents, but we were hit with postage and salary increases for the GPO staff in Pueblo. Also the publication distribution declined considerably from the previous year. In 1988, we had distributed 7.3 million free booklets. In 1989, we distributed 5.5 million free booklets. We are quoting to agencies a possible unit cost in fiscal year 1990 of 45 cents.

Mrs. **Boggs**. Do you have any projection for 1991?

Ms. **Nasif**. 41 cents is programmed, based on calculations we did a year ago. Clearly, that is not enough. It could go up as high as 49 cents.

We are doing everything we can to keep the cost low in Pueblo, because so many agencies have a set amount of dollars. For example, the Office of Consumer Affairs distributes as many books as they can with their budget of $275,000.

As the unit cost increases, fewer books get distributed. Most agencies do not have an open-ended publication distribution budget.

### DISTRIBUTION LEVELS

Mrs. **Boggs**. You project you will distribute 8.5 million publications in fiscal year 1991. The same level as projected for 1990. Is this a reasonable projection, given that the distribution costs will continue to increase and agencies are devoting less money to the distribution?

Ms. **Nasif**. We are hoping that it will stabilize at 8.5 million. Very interestingly, we are still getting a tremendous variety of titles into our program; but most agencies are choosing to enter either our 50 cent program, where consumers pay 50 cents for the book, or the GPO regular sales program.

We are actually seeing the sales publications increase in volume. Agencies are coming more frequently into that program, and there is now a greater variety of interesting, helpful titles on the sales side than was previously the case.

Agencies will still be able to get out a great deal of information, and the numbers of the free publications might decline; but luckily, we are having an increase on the sales side.

The 50 cent program, which was an innovation of the Government Printing Office, has been the salvation of some agencies, including some of the agencies that appear before this committee. For example, the EPA could not afford to distribute books without charge to the public, and yet they did not want to put their publications into the GPO regular sales program and have them sold for $2.00 or $3.00.

The 50 cent program enables them to pay for the printing, and have distribution costs paid by consumers. The consumer pays 50 cents, to cover the GPO cost of fulfillment. And so it's been a wonderful way for publications to get to the public that might not otherwise ever have been disseminated.

To date, we have had 144 publications in the 50 cent program, and it's really been a marvelous vehicle to get the information out to the public.

Mrs. **Boggs**. That is very good news to me, because GPO is one of our responsibilities in another separate committee.

Ms. **Nasif**. We find GPO and particularly the Superintendent of Documents easy to work with, and we have enjoyed a very cooperative relationship with them.

### FY 1990 DISTRIBUTION

Mrs. **Boggs**. What do your first quarter 1990 numbers suggest?

Ms. **Nasif**. As far as the unit costs?

Mrs. **Boggs**. Yes.

Ms. **Nasif**. We have had some high costs so far in fiscal year 1990. They have been in the mid-50 cent range, but we are hoping that with increased volume of distribution in the coming months that the cumulative average will remain in the mid-40 cent range.

We have had a slow start this year, which has driven up the per unit cost.

Mrs. **Boggs**. You have projected the distribution of 8.5 million publications for 1991, which is the same level as projected for 1990—is that correct?

Ms. **Nasif**. Yes. We are projecting a stable distribution level for 1990 and 1991.

Mrs. **Boggs**. And does your 1990 first quarter number suggest that that is valid, that that will hold?

Ms. **Nasif**. We got off to a slow start in the first few months, but we have had a number of very excellent promotions, and I was just told this morning that we received 100,000 orders last week, which is 2½ times our normal average.

There has been a tremendous turnabout, which occurred right after Christmas, primarily because we have been doing a special promotion with the Internal Revenue Service of the Consumer Information Catalog and the Consumer's Resource Handbook. This is the time of year when taxpayers are doing their taxes; so when they request supplemental tax forms, we are having IRS enclose cards promoting the two publications' availability from CIC.

We printed six million cards to send out with the supplementary tax information.

Also, this past Sunday, Parade Magazine promoted one of our free publications: Getting Skilled, Getting Ahead. It was a wonderful write-up labelled a Sunday Freebie in the Intelligence Report. So we are very optimistic that these sorts of promotions are going to enable us to meet the 8.5 million projection.

Mrs. **Boggs**. That is very good.

### FY 1989 ADMINISTRATIVE EXPENSE LIMITATION

According to the chart on Page 5, your total administrative expenses for fiscal year 1989 were $1,854,000, yet the limitation on administrative expenses was set at $1,736,000, a difference of $118,000.

How do you account for that difference?

Ms. **Nasif**. In FY 1989, the cost of marketing projects, totalling approximately $140,000, did not count towards the limitation of $1,736,000 on administrative expenses. Therefore, FY 1989 obligations counting towards the limitation totalled approximately $1,714,000 with $65,000 of the difference from $1,854,000 shown on page 5 as standard marketing projects and $75,000 of the difference shown on page 5 under printing of the Catalog.

Since marketing project costs are administrative expenses beginning in FY 1990, we decided to use the format on page 5 for comparison purposes.

So we were within our limitation, but perhaps we should have added a Page 5 footnote to avoid confusion.

### TELEPHONE ORDERING SYSTEM

Mrs. **Boggs**. Last year, your budget request provided $150,000 for a telephone ordering system. Has this program been implemented?

Ms. **Nasif**. We have not yet implemented it. We have decided that we cannot afford a toll free ordering system. That had been our initial objective, that consumers would be able to call in free of charge and get a copy of the Consumer Information Catalog.

We just finished reviewing all the various options. For a time, we were very interested in the 900 system where the consumer basically would pay all the charges connected with a contractor setting up the entire ordering system.

Estimates of the charge to consumers were anywhere from $1 to $2 with no cost to CIC. Then we discovered that the cheapest thing for the consumer, other than the toll free system, was to just pay regular toll charges.

So we are now talking to GPO about putting in telephone lines to the Pueblo facility. The consumers would pay whatever applicable toll charge was in effect at the time of day that the call was placed.

We discovered that for the first minute, it would only cost 25 cents for most parts of the country, and that would really be much better for the consumer than paying the charges on the 900 number. Also, 900 charges might be somewhat confusing for us to explain to consumers since, of course, we would have to disclose those charges in our various promotions. We decided that perhaps the easiest thing to do is let the consumer pay for the call and CIC would pay for the cost of a telephone answering device to take the name and address. We would also pay for the labor cost in Pueblo to transcribe the names and addresses to a data base and for the mailing of the Catalog.

We know that the Government Printing Office uses a toll line. When you call the GPO order desk from around the country, you dial a 202 telephone number in Washington, D.C., and you pay whatever charges apply.

And they have a very busy order desk. So we are inclined to think that this might be the simplest thing to do. It will be some expense to the consumer, but a bearable expense. And it will be a simpler way for us to do it than the 900 number.

As a result, we anticipate a savings in that area with the actual cost of the telephone system being under $100,000 and probably closer to $75,000. Once we finish comparing all the labor and equipment costs, we will be sending a reprogramming request to the committee to implement a simple toll line.

Mrs. BOGGS. That is a very good report. I know that one of the big costs involved in the 800 system is people who make frivolous calls, and it makes it very difficult for the sponsoring agency.

Ms. NASIF. Of course, yes.

### PRINTING CATALOGS

Mrs. BOGGS. Your justification indicates you will be printing the same number of Catalogs in fiscal year 1991 as in fiscal year 1990, 16 million.

Ms. NASIF. That is correct.

Mrs. BOGGS. According to the chart on Page 5, you project you will spend $40,000 less in 1991. What has contributed to the decrease in printing costs?

Ms. NASIF. The amount of $488,000 programmed for fiscal year 1990 will be decreased by about $40,000 as part of a reprogramming request to the committee. We happened to get an excellent contract price for 1990 printing of the Catalog, and are now projecting that that amount will be identical to the 1991 request.

Mrs. **Boggs**. Your Catalog is printed four times a year; is that correct?

Ms. **Nasif**. Right.

Mrs. **Boggs**. How much does it cost to put each Catalog together, excluding printing costs?

Ms. **Nasif**. The typesetting and make ready costs run about $20,000 a year. Each edition is about $5,000.

### TITLE TURNOVER IN CATALOG

Mrs. **Boggs**. And how different is each edition?

Ms. **Nasif**. There is a turnover of about 40 titles in each of the editions. It's very important for us to keep it on a quarterly basis, especially in light of agencies providing us now with more limited amounts of publications.

It's not at all unusual for an agency to provide enough copies for one or two listings, but not enough copies for an entire year.

Were we to have an annual Catalog, it means that people would be ordering books that are no longer available.

We think that the 20 percent turnover for each edition helps to entice repeat users. A person will order from the spring Catalog for example, they pick up the summer Catalog, and order 10 new titles not previously listed. If we had an annual Catalog, we would not have the repeat users come back into the system.

Mrs. **Boggs**. I was going to ask you that. Do you have any indication of how many of the same people receive more than one Catalog a year?

Ms. **Nasif**. We do an annual survey once a year, which includes the question: Have you ever ordered from the Catalog before? In this past survey, about 60 percent indicated that they had.

On the question, "Do you intend to use the Catalog again?", more than 95 percent said they did, that they were pleased with the publications that they had received, and they found them very helpful.

Mrs. **Boggs**. Mr. Green.

Mr. **Green**. No questions, Madam Chair.

Mrs. **Boggs**. Mr. Early, do you have anything to add?

Mr. **Early**. No, Ma'am.

### CONCLUSION

Mrs. **Boggs**. Anything else you'd like to say, Ms. Nasif?

Ms. **Nasif**. I'd like to thank the committee for its support, and we hope that you will join us for CIC's 20th birthday party this October.

Mrs. **Boggs**. We will look forward to it. Thank you very much.

Ms. **Nasif**. Thank you.

[The justifications follow:]

Congressional presentation

Estimates of appropriations for FY 1991

# Consumer Information Center Fund

General
Services
Administration

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## SUMMARY RECONCILIATION OF FY 1991 APPROPRIATION REQUEST TO COMPARABLE AMOUNTS FOR PRIOR YEARS

| | | |
|---|---|---|
| 1989 | Appropriation | $1,354,000 |
| | Increase | |
| | Miscellaneous Expenses | +6,000 |
| 1990 | Appropriation | $1,360,000 |
| | Decrease | |
| | Reduction Pursuant to P.L. 101-144 | -21,000 |
| 1990 | Appropriation(Adjusted) | $1,339,000 |
| | Increases | |
| | Personnel Compensation | +77,000 |
| | Absorption of Increases in Prior Years | +41,000 |
| | Payment to GSA for Financial Services | +40,000 |
| | Miscellaneous Expenses | +43,000 |
| 1991 | Request | $1,540,000 |

## APPROPRIATION LANGUAGE

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, ($1,360,000) $1,540,000, to be deposited into the Consumer Information Center Fund: Provided, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of ($5,200,000) $5,500,000. Administrative expenses of the Consumer Information Center in fiscal year 1991 shall not exceed ($2,092,000) $2,172,000. Appropriations, revenues and collections accruing to this fund during fiscal year 1991 in excess of ($5,200,000) $5,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriation Acts. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1990.)

## BACKGROUND OF FUND

The Consumer Information Center Fund, a revolving fund established by Public Law 98-63 on July 30, 1983, provides for the efficient operation of Consumer Information Center activities. Its enactment continued the process of CIC receiving (1) an annual appropriation to fund salaries and expenses and (2) reimbursements from Federal agencies to pay the costs of CIC distributing their consumer publications through the Government Printing Office. However, the revolving fund assumed all of the liabilities and commitments of the CIC account and enabled the carrying forward of unobligated amounts at the end of the fiscal year.

Under the revolving fund, the CIC's activities are financed from monies deposited to the Fund, consisting of annual appropriations, reimbursements from agencies to cover the distribution costs of their publications, fees collected from the public, and other income incident to CIC activities. All income is available without regard to fiscal year limitations, but subject to an annual aggregate obligation limit as set forth in appropriation acts.

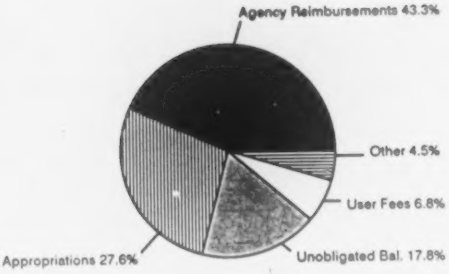
Pages 5, 6, and 7 provide additional details on the operation of the CIC Fund, including the source and application of income to the Fund, during fiscal year 1989 through fiscal year 1991.

## STATUS OF CONSUMER INFORMATION CENTER FUND
(Dollars in Thousands)

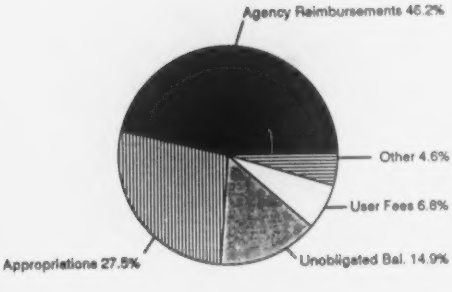
| | Actual 1989 | Program 1990 | Request 1991 | Change 90 vs 91 |
|---|---|---|---|---|
| Source of Funding: | | | | |
| Unobligated Balance Brought Forward | 870 | 724 | 349 | -375 |
| Appropriation | 1,354 | 1,339 | 1,540 | +201 |
| Reimbursements from Agencies | 2,118 | 2,247 | 2,445 | +198 |
| User Fees | 331 | 331 | 331 | - |
| Other Income | 223 | 225 | 235 | +10 |
| Income Not Available Pursuant to P.L. 99-177 | - | -8 | - | +8 |
| Total Resources Available | 4,896 | 4,858 | 4,900 | +42 |
| Application of Resources: | | | | |
| Administrative Expenses | | | | |
| -Salaries and Benefits | 779 | 840 | 917 | +77 |
| -Printing of the Catalog | 435 | 488 | 448 | -40 |
| -Advertising Campaign | 192 | 200 | 210 | +10 |
| -Marketing Projects | 65 | 210 | 214 | +4 |
| -All Other | 383 | 314 | 383 | +69 |
| Total Administrative Expenses | 1,854 | 2,052 | 2,172 | +120 |
| Publication Distrib. | 2,318 | 2,457 | 2,665 | +208 |
| Unobligated Balance Carried Forward | 724 | 349 | 63 | -286 |
| Total Resources Applied | 4,896 | 4,858 | 4,900 | +42 |

# CIC FUND SOURCE OF INCOME FY 1989 - FY 1991

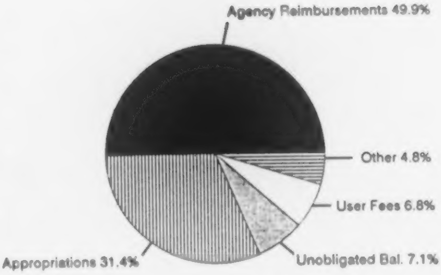
FY 1989
ACTUAL
Total = $4.396 mill.



FY 1990
PROGRAM
Total = $4.858 mill.

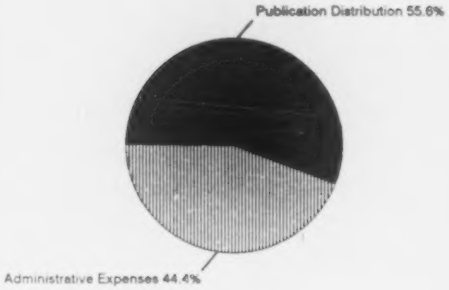


FY 1991
PROGRAM
Total = $4.900 mill.

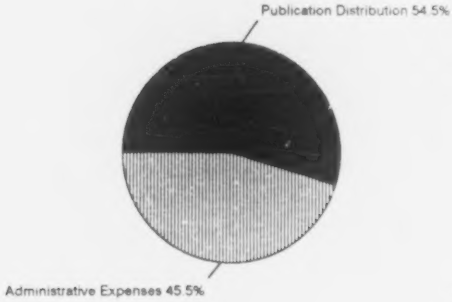


# CIC FUND INCOME APPLICATION FY 1989 - FY 1991

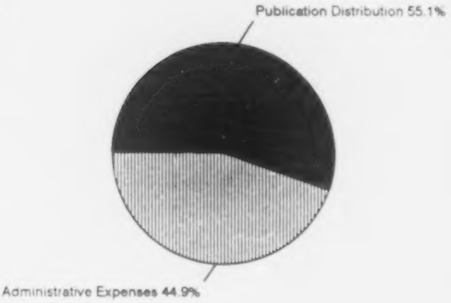
FY 1989
ACTUAL
Total Obligations = $4.172



FY 1990
PROGRAM
Total Obligations = $4.509



FY 1991
PROGRAM
Total Obligations = $4.837



## DETAIL OF POSITIONS AND OBJECT CLASSIFICATION
## ADMINISTRATIVE EXPENSES

| | Actual, 1989 | | | Program, 1990 | | | Request, 1991 | | |
|---|---|---|---|---|---|---|---|---|---|
| Grade | C.O. | Field | Total | C.O. | Field | Total | C.O. | Field | Total |
| GS/GM-15 | 1 | - | 1 | 1 | - | 1 | 1 | - | 1 |
| 14 | 2 | - | 2 | 2 | - | 2 | 2 | - | 2 |
| 13 | 3 | - | 3 | 5 | - | 5 | 5 | - | 5 |
| 12 | 4 | - | 4 | 3 | - | 3 | 7 | - | 7 |
| 11 | 2 | - | 2 | 4 | - | 4 | 2 | - | 2 |
| 9 | 4 | - | 4 | 2 | - | 2 | - | - | - |
| 7 | 2 | - | 2 | 1 | - | 1 | 1 | - | 1 |
| 6 | 1 | - | 1 | 2 | - | 2 | 2 | - | 2 |
| 5 | 1 | - | 1 | - | - | - | - | - | - |
| Perm. Pos. | 19 | - | 19 | 20 | - | 20 | 20 | - | 20 |
| Other | 1 | - | 1 | - | - | - | - | - | - |
| TOTAL | 20 | - | 20 | 20 | - | 20 | 20 | - | 20 |

### CLASSIFICATION BY OBJECTS

| | Actual, 1989 | Program, 1990 | Request, 1991 |
|---|---|---|---|
| Personnel compensation: Central office | $666,539 | $730,000 | $784,000 |
| Field | - | - | - |
| 11 Total personnel compensation | $666,539 | $730,000 | $784,000 |
| Other Objects | | | |
| 12 Personnel benefits | 111,985 | 110,000 | 133,000 |
| 13 Benefits for former personnel | - | - | - |
| 21 Travel | 28,551 | 29,000 | 34,000 |
| 22 Transportation of things | 33,204 | 42,000 | 42,000 |
| 23 Rental payments to GSA | 75,483 | 79,000 | 81,000 |
| Communications and misc. charges | 71,321 | 66,000 | 72,000 |
| 24 Printing and reproduction | 530,962 | 533,000 | 536,000 |
| 25 Other services | 316,598 | 447,000 | 461,000 |
| 26 Supplies and materials | 9,213 | 6,000 | 9,000 |
| 31 Equipment | 10,466 | 10,000 | 20,000 |
| Total Other Objects | $1,187,783 | $1,322,000 | $1,388,000 |
| Total Obligations | $1,854,322 | $2,052,000 | $2,172,000 |

| | | | |
|---|---|---|---|
| Position Data | | | |
| Average salary, all positions | $34,972 | $38,540 | $40,702 |
| Average grade, all positions | 10.65 | 11.25 | 11.65 |

## DETAIL OF POSITIONS AND OBJECT CLASSIFICATION
## PUBLICATION DISTRIBUTION

| | Actual, 1989 | | | Program, 1990 | | | Request, 1991 | | |
|---|---|---|---|---|---|---|---|---|---|
| Grade | C.O. | Field | Total | C.O. | Field | Total | C.O. | Field | Total |
| Perm. Pos. | | | | | | | | | |
| Other | | | | | | | | | |
| TOTAL | | | | | | | | | |

CLASSIFICATION BY OBJECTS

| | Actual, 1989 | Program, 1990 | Request, 1991 |
|---|---|---|---|
| Personnel compensation: Central office | | | |
| Field | | | |
| 11 Total personnel compensation | | | |
| Other Objects | | | |
| 12 Personnel benefits | | | |
| 13 Benefits for former personnel | | | |
| 21 Travel | | | |
| 22 Transportation of things | | | |
| 23 Rental payments to GSA | | | |
| Communications and misc. charges | | | |
| 24 Printing and reproduction | | | |
| 25 Other services | $2,318,000 | $2,457,000 | $2,665,000 |
| 26 Supplies and materials | | | |
| 31 Equipment | | | |
| Total Other Objects | $2,318,000 | $2,457,000 | $2,665,000 |
| Total Obligations | $2,318,000 | $2,457,000 | $2,665,000 |

Position Data
Average salary, all positions
Average grade, all positions

## DETAIL OF POSITIONS AND OBJECT CLASSIFICATION
## TOTAL

| | Actual, 1989 | | | Program, 1990 | | | Request, 1991 | | |
|---|---|---|---|---|---|---|---|---|---|
| Grade | C.O. | Field | Total | C.O. | Field | Total | C.O. | Field | Total |
| GS/GM-15 | 1 | - | 1 | 1 | - | 1 | 1 | - | 1 |
| 14 | 2 | - | 2 | 2 | - | 2 | 2 | - | 2 |
| 13 | 3 | - | 3 | 5 | - | 5 | 5 | - | 5 |
| 12 | 4 | - | 4 | 3 | - | 3 | 7 | - | 7 |
| 11 | 2 | - | 2 | 4 | - | 4 | 2 | - | 2 |
| 9 | 4 | - | 4 | 2 | - | 2 | - | - | - |
| 7 | 2 | - | 2 | 1 | - | 1 | 1 | - | 1 |
| 6 | 1 | - | 1 | 2 | - | 2 | 2 | - | 2 |
| 5 | 1 | - | 1 | - | - | - | - | - | - |
| Perm. Pos. | 19 | - | 19 | 20 | - | 20 | 20 | - | 20 |
| Other | 1 | - | 1 | - | - | - | - | - | - |
| TOTAL | 20 | - | 20 | 20 | - | 20 | 20 | - | 20 |

### CLASSIFICATION BY OBJECTS

| | Actual, 1989 | Program, 1990 | Request, 1991 |
|---|---|---|---|
| Personnel compensation: Central office | $666,539 | $730,000 | $784,000 |
| Field | - | - | - |
| 11 Total personnel compensation | $666,539 | $730,000 | $784,000 |
| Other Objects | | | |
| 12 Personnel benefits | 111,985 | 110,000 | 133,000 |
| 13 Benefits for former personnel | - | - | - |
| 21 Travel | 28,551 | 29,000 | 34,000 |
| 22 Transportation of things | 33,204 | 42,000 | 42,000 |
| 23 Rental payments to GSA | 75,483 | 79,000 | 81,000 |
| Communications and misc. charges | 71,321 | 66,000 | 72,000 |
| 24 Printing and reproduction | 530,962 | 533,000 | 536,000 |
| 25 Other services | 2,634,598 | 2,904,000 | 3,126,000 |
| 26 Supplies and materials | 9,213 | 6,000 | 9,000 |
| 31 Equipment | 10,466 | 10,000 | 20,000 |
| Total Other Objects | $3,505,783 | $3,779,000 | $4,053,000 |
| Total Obligations | $4,172,322 | $4,509,000 | $4,837,000 |

| Position Data | | | |
|---|---|---|---|
| Average salary, all positions | $34,972 | $38,540 | $40,702 |
| Average grade, all positions | 10.65 | 11.25 | 11.65 |

## EXPLANATION OF FY 1991 REQUEST BY OBJECT CLASS

11 Personnel Compensation - $784,000: Support 20 FTE, all in the Central Office.

12 Personnel Benefits - $133,000: $96,000 for retirement contributions; $28,000 for health benefits; $8,000 for FICA; and $1,000 for group life insurance.

21 Travel and Transportation of Persons - $34,000: For travel by CIC staff members in promoting the Catalog and Federal consumer information.

22 Transportation of Things - $42,000: For transporting Catalogs from the printing company to Washington, DC, and the Colorado distribution center.

23 Rental Payments to GSA - $81,000: For payments to the Federal Buildings Fund for rental of space.

23 Communications, Utilities and Misc. Charges - $72,000: $45,000 for postage and $27,000 for equipment rental and telephone charges.

24 Printing and Reproduction - $536,000: $448,000 for printing Catalogs; $40,000 for projects promoting the Catalog; $25,000 for printing script material for radio and television stations; and $23,000 for miscellaneous printing.

25 Other Services - $3,126,000: $2,665,000 for payments to the Government Printing Office for the cost of distributing consumer information publications (amount is fully covered by participating organizations); $200,000 for preparation and distribution of public service materials for television; $174,000 for projects promoting the Catalog; $40,000 for payment to GSA for financial services; $15,000 for computer time; $10,000 for equipment maintenance; $8,000 for Spanish translating service; and $14,000 for miscellaneous expenses.

26 Supplies and Materials - $9,000: For normal administrative supplies and materials.

31 Equipment - $20,000: For the purchase of office automation equipment.

## SUMMARY EXPLANATION OF CHANGES FROM 1990 TO 1991

### ADMINISTRATIVE EXPENSES

The administrative expenses of CIC are funded by a combination of annual appropriations from the general funds of the Treasury, fees collected from the public, and unobligated balances in the CIC Fund. The fiscal year 1991 increase of $201,000 requested for appropriated funds consists of the following: (A) $77,000 for salaries and benefits for fiscal year 1991, including $11,000 to cover half of the estimated cost of the January 1991 pay raise, (B) $40,000 for fiscal year 1991 to pay GSA for the cost of financial services provided to CIC, (C) $43,000 for various costs including rent, supplies, equipment, and travel expenditures and (D) $41,000 for costs which were funded by monies from the CIC Fund during fiscal year 1990, but are to be covered by the appropriation in fiscal year 1991.

The amount requested for fiscal year 1991 is necessary to continue ongoing programs at present levels and to slow the depletion of the CIC Fund balance. After initially being built up to nearly one million dollars primarily by a one-time infusion during the early existence of the Fund, the Fund balance will be reduced to a projected $349,000 by the end of fiscal year 1990. This decline results from several closely-related factors including the following:

1. Since the inception of the CIC Fund, the annual appropriation has not kept pace with the rise in operating costs. The annual appropriation totalled $1,349,000 in fiscal year 1984, the first full year of operation, whereas it declined to $1,339,000 in fiscal year 1990.

2. Other income to the CIC Fund has remained steady or has risen only slightly over the years. In fiscal year 1985, income from user fees on Catalog orders totalled $293,000, but had only risen to $331,000 in fiscal year 1989. Apart from the appropriation, this income is the only other substantive source of revenue available to cover CIC's administrative expenses.

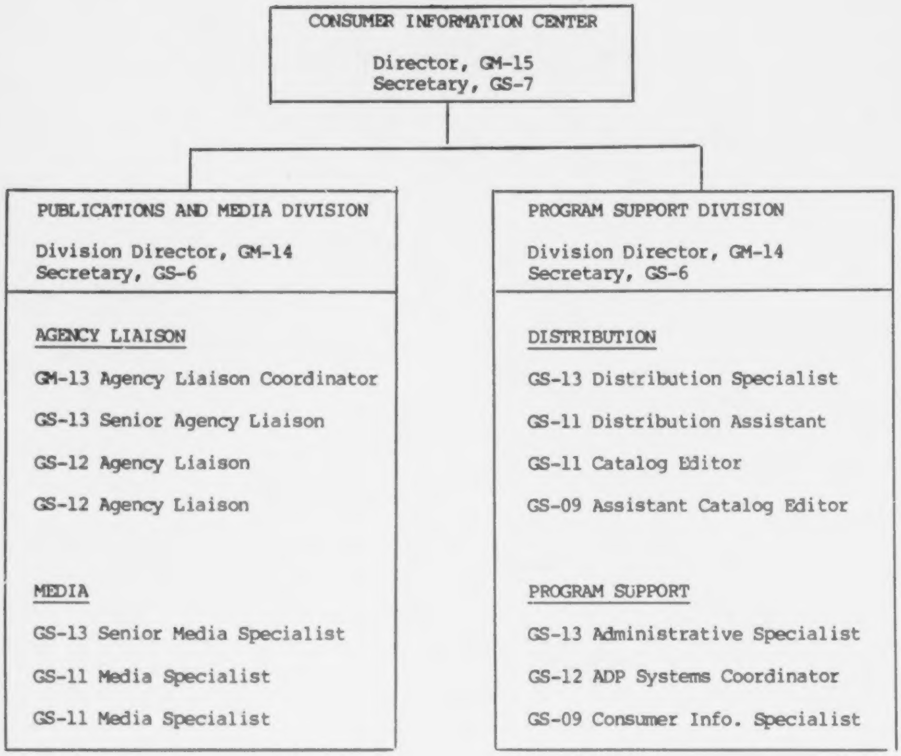
3. From 1984 to 1990, monies other than the annual appropriation to the Fund have covered a significantly larger share of operating costs. This portion increased from $220,000 in fiscal year 1984, representing 15 percent of all administrative expenses, to more than $700,000 projected for fiscal year 1990, representing 35 percent of all administrative expenses.

The preceding factors have combined to cause the decline in CIC's unobligated balance. In order to address the situation, CIC is requesting the appropriation increase of $201,000 for fiscal year 1991. Monies other than the annual appropriation will still cover nearly 30 percent of all CIC administrative expenses.

## PUBLICATION DISTRIBUTION

CIC serves more than 40 Federal agencies in their mission to provide information to the American public. In the process, CIC distributes publications on their behalf through the Government Printing Office facility in Pueblo, Colorado. The agencies fully fund the costs of distributing their free consumer publications through reimbursements paid to CIC. These reimbursements will increase an estimated $208,000 in fiscal year 1991 to cover projected costs. This increase of approximately 8.5 percent results from anticipated increases in postal costs and charges by GPO for the handling of consumer requests for the free publications. It will enable the distribution of 8.5 million publications which is the same level projected for fiscal year 1990.

## CONSUMER INFORMATION CENTER
## FY 1990 STAFFING


CONSUMER INFORMATION CENTER
Director, GM-15
Secretary, GS-7
PUBLICATIONS AND MEDIA DIVISION
Division Director, GM-14
Secretary, GS-6
AGENCY LIAISON
GM-13 Agency Liaison Coordinator
GS-13 Senior Agency Liaison
GS-12 Agency Liaison
GS-12 Agency Liaison
MEDIA
GS-13 Senior Media Specialist
GS-11 Media Specialist
GS-11 Media Specialist
PROGRAM SUPPORT DIVISION
Division Director, GM-14
Secretary, GS-6
DISTRIBUTION
GS-13 Distribution Specialist
GS-11 Distribution Assistant
GS-11 Catalog Editor
GS-09 Assistant Catalog Editor
PROGRAM SUPPORT
GS-13 Administrative Specialist
GS-12 ADP Systems Coordinator
GS-09 Consumer Info. Specialist

## SELECTED WORKLOAD ACCOMPLISHMENTS

| | FY 1989 ACTUAL | FY 1990 PROGRAM | FY 1991 REQUEST | PERCENT CHANGE FROM 1990 to 1991 |
|---|---|---|---|---|
| 1. Publications Identified for the Catalog............. | 60 | 60 | 63 | +5 |
| 2. Publications Distribution (Millions).................. | 8.5 | 8.5 | 8.5 | - |
| 3. Print and Electronic Media Releases Highlighting Federal Consumer Information... | 74 | 82 | 86 | +5 |
| 4. Public Service Advertising Programs for the Media...... | 3 | 3 | 3 | - |

## FY 1989 AND FY 1990 ACCOMPLISHMENTS

The information that follows describes CIC program operations and important program accomplishments from fiscal year 1989 to date.

The CIC was established in 1970 to: (1) help Federal departments and agencies release consumer information they wish to bring to the public's attention and (2) assure public awareness of and access to this information. To carry out these mandates, CIC has an agency liaison program to identify and assist in the development of Federal consumer information; it publishes and distributes the Consumer Information Catalog and has a media and marketing program to promote the information; and it contracts with an order processing facility in Pueblo, Colorado in order to distribute the information.

CIC provides Federal agencies a cost-effective and time-proven system for disseminating information to the public on a wide variety of topics ranging from health and safety issues to Federal programs and legislation. The Consumer Information Catalog is the primary vehicle that CIC uses to inform the public about the availability of Federal consumer information. The quarterly Catalog is a 16-page descriptive listing of about 200 free and sales Federal publications on an extensive range of subjects. During fiscal year 1990, CIC plans to print and distribute 16 million Catalogs through various channels and individuals and in response to requests from the public. The outlets include libraries; elementary through graduate school educators; local, state, and national consumer organizations; nonprofit community organizations; government offices with heavy visitor traffic; and Members of Congress.

In fiscal year 1991, CIC will continue to serve consumers throughout the country by making available important information from Federal agencies. The following sections list highlights in three major areas: information identification, media promotion, and distribution.

## INFORMATION IDENTIFICATION

The agency liaison program is responsible for working closely with program and information staff members in more than 100 Federal offices to help them develop, promote and distribute information on vital consumer topics. The agency liaison staff members provide editorial review of new and revised publications and coordinate marketing and promotion plans for publications in the CIC program. In addition, agency liaison officers help agencies evaluate the effectiveness of selected publications, provide newsclips and other feedback from CIC promotions, regularly report inventory, distribution and billing data, and provide consumer suggestions for new publications.

To help build private-public partnerships and share the cost of providing information, CIC agency liaison officers also meet regularly with industry groups and business associations such as the Society of Consumer Affairs Professionals in Business (SOCAP) to encourage participation in CIC's cooperative publishing program. This program matches businesses and trade associations with Federal agencies which have a joint interest in providing consumer information. CIC actively pursues this cost-effective means to meet the public's need for high quality generic consumer information. To date, CIC has successfully coordinated, promoted and/or distributed 51 cooperative government-industry publications.

The following examples are highlights of CIC's agency liaison activities during fiscal year 1989:

1. Publications on all aspects of health continue to be among the topics most frequently requested by consumers. To help consumers take more responsibility for their own health care, CIC worked with the Nonprescription Drug Manufacturers Association and the Food and Drug Administration to develop A Doctor's Advice on Self-Care. Nearly 200,000 consumers have sent for this free booklet which explains labeling and the safe use of over-the-counter drugs. A related publication from the FDA, Do-It-Yourself Medical Testing, discusses how to safely and accurately use the wide variety of medical home test kits now available. To encourage Americans to make healthier food choices, CIC worked to promote Eating to Lower Your High Blood Cholesterol which explains the dietary implications of a high fat and cholesterol

diet. CIC also worked with the National Fish and Seafood Council and the Department of Commerce to develop Fish and Seafood Made Easy which encourages consumers to eat more fish.

2. As the nation's scientists search for a cure for AIDS, CIC continues to seek the latest information to distribute on this number-one public health concern. Accordingly, CIC has added When Someone Close Has AIDS to help meet the emotional needs of the caregiver of an AIDS patient as well as to allay concerns that many may still have about the transmission of the virus itself. CIC continues to promote three additional AIDS-related booklets: AIDS and the Education of Our Children, Tips on Preventing AIDS, and Who Donates Better Blood for You Than You.

3. To help citizens reduce the risks from existing sources of indoor air pollutants and to prevent new problems from occurring, CIC has worked with the Environmental Protection Agency and the Consumer Product Safety Commission to provide citizens with the most recent information available. A new booklet, The Inside Story: A Guide to Indoor Air Quality tells about the wide range of potential air pollution dangers in the home and at work. More detailed information on radon is offered through A Citizen's Guide to Radon and Radon Reduction Methods: A Homeowner's Guide. Pollutants in the home water supply are addressed through the continued distribution of the EPA publications Lead and Your Drinking Water and Removal of Radon from Household Water. Safe use of pesticides is detailed in Citizen's Guide to Pesticides and Termiticides.

4. Educational choices are making a difference today in how and where our children are educated. CIC has worked with the Department of Education and the U.S. Office of Consumer Affairs to provide help for parents who are concerned about this issue. Choosing A School for Your Child gives step-by-step advice on how to choose a school and what to look for in facilities, teachers and staff. Additionally, a series of booklets is available for parents who want to be involved in the education of their children by helping them master basic skills such as reading, writing, and mathematics. The latest booklet in this series is Helping Your Child Use the Library.

5. CIC continued to provide help to agencies and private sector partners in developing content ideas for publications. Keeping Pace: Managing Crisis and Change in a Two Income Household, the third publication in a financial management series, first appeared in the summer 1989 edition of the Catalog. CIC's partners in this cooperative project are the American Express company, IDS Financial Services, the American Association of Retired Persons, USDA's Extension Service, and the Federal Trade Commission. To deal with growing consumer concerns about privacy and access to Federal information, CIC assisted the Department of Justice and the General Services Administration in revising Your Right to Federal Records, which explains how consumers can use the Freedom of Information Act and the Privacy Act to obtain records from the Federal government.

6. CIC has been active during the past year in getting information out to the public on drug issues. For example, How to Create a Kidsummit Against Drugs provides detailed instructions, forms, and resources to help students in the fourth grade and up organize to stop drug abuse. Also in fiscal year 1989, the Department of Education revised Schools Without Drugs to include information on the effects of alcohol and tobacco, as well as the growing threat of steroids on young people. Take ACTION Against Drug Abuse, which appears for the first time in the spring 1990 edition of the Catalog, describes volunteer anti-drug programs and how they got started with ACTION grants. This publication also offers suggestions on how to set goals, apply for grants, raise funds, recruit, publicize, and manage the project.

In summary, CIC identified, assisted with the development of, and obtained 60 publications for the Consumer Information Catalog during fiscal year 1989.

## MEDIA AND MARKETING

CIC's media activities are a vital link in delivering information to the public. Regular news releases and scripts promote the availability of the Consumer Information Catalog as well as specific Federal consumer publications. CIC works with radio and television stations, newspapers, magazines, and newsletters to let the public know about the wide variety of topics in the

Catalog in simple, straightforward language that's easy to understand. As a public service, the media makes this information available to consumers at no cost to the government, and CIC is able to reach millions of Americans in a cost-effective manner. For example, during fiscal year 1989, Parade delivered information from four different CIC publications directly to its more than 32 million readers. CIC releases have also been the source for regular items in magazines such as Family Circle, Woman's Day, Essence, Good Housekeeping, Parents, Glamour, Money, and U.S. News and World Report. CIC releases have also appeared regularly in daily and weekly newspapers throughout the country from the New York Daily News, Battle Creek Enquirer, and the New Orleans Times Picayune to the Baltimore Evening Sun, Chicago Tribune, and the Kansas City Star.

Magazines such as People, Newsweek, and Money regularly donate space to CIC's public service print ads at no cost to the government. During fiscal year 1989, CIC distributed the ad, "Reading Worth Writing For," encouraging readers of the magazines and newspapers to write to Pueblo, Colorado for a free Catalog.

The feature scripts which CIC provides regularly on request to radio and television stations are used as a basis for consumer news spots, as backup information for call-in shows, and as disc jockey filler. They are invaluable for consumers who rely heavily on radio and television as their main sources of information.

CIC also directs personalized promotional efforts to selected writers and reporters. During fiscal year 1989, CIC staff members met with more than 160 consumer writers and editors of major magazines, newspapers, and wire services to brief them on the Catalog and specific Federal publications that would be of interest to their readers. As a result of this direct marketing, CIC has succeeded in placing feature mentions in numerous magazines and news syndicates. For example, USA Today has used CIC regularly in the "Today's Tip Off" column in either the Money or Life sections, and Associated Press has run seven major features promoting CIC publications.

CIC also provides assistance to the consumer media by telephone. For example, in early summer, 1989, the New York Daily News was deluged with inquiries from concerned consumers about the dangers of radon in water in homes in the northeast, particularly New York City. An entire Action Line column was devoted to this issue because of the need for fast delivery of information to the paper's more than 1.2 million readers. CIC was able to provide much of the needed information for the column using a publication from the Catalog. The booklet, Removal of Radon from Household Water, was then listed in the column as available from CIC's distribution center in Pueblo for more detailed technical help.

One of the primary ways that consumers find out about the Consumer Information Catalog is CIC's annual television public service advertising campaign. This past year, CIC developed and released "Rebecca," a series of five television public service announcements showing a young woman in a series of animated scenes using the booklets in the Catalog. The campaign was received enthusiastically by television public service directors, and CIC research indicates that these stations will donate air time worth approximately $6 million over the 12-month life of the campaign.

## Marketing Projects

Each year, CIC undertakes a variety of marketing projects in an effort to provide information and services to the public through a variety of non-traditional channels. Examples of such projects in fiscal years 1989 and 1990 include:

- Internal Revenue Service (IRS) Cooperative Project: During fiscal year 1989, CIC conducted its most successful promotion of the Consumer Information Catalog to audiences of other government programs. Working closely with IRS, CIC printed a total of 6 million mail-back cards. Four million promoted the Catalog and two million promoted the availability of the Social Security Administration's Request for Earnings and Benefit Estimate Statement which provides a method for citizens to determine their projected retirement income from Social Security benefits. These cards were inserted by IRS with supplemental tax forms requested by citizens. As a result of this project, consumers ordered almost 1.4 million publications including approximately 250,000 copies of the Request for Earnings and Benefit Estimate Statement. In fiscal year 1990, CIC is using this cost-effective distribution system again to promote the Catalog and will also offer the U.S. Office of Consumer Affairs' newly revised Consumer's Resource Handbook.

o Veterans Affairs (VA) Cooperative Project: Working with the VA Office of Consumer Affairs, CIC designed and printed an insert offering free booklets which was included with approximately three million VA compensation, pension, and education benefit checks in June 1989. This cooperative project with the VA and the Treasury Department resulted in veterans requesting more than 130,000 publications dealing with subjects such as Social Security benefits, avoiding investment swindles, starting a small business and financing an education. CIC plans to repeat this worthwhile project in fiscal year 1990.

o Treasury Envelopes: During fiscal year 1989, CIC worked with the U.S. Department of the Treasury to have a message advertising the availability of the Consumer Information Catalog printed on the back of 800,000 envelopes containing Civil Service retirement checks. This was the first time Treasury had allowed any outside organization to use this space and the CIC message was run as a test free of charge.

CIC plans to repeat this effort on a reimbursable basis to a different segment of the over 30 million recipients that Treasury mails to each month.

o Electronic Dissemination: For several years, CIC has monitored the progress of computer-based systems for providing information to the public. On-line computer services such as Compuserve and Genie have been available and widely used by a select group of the public for many years. Now with the advent of on-line services, such as Prodigy and PC-Link, which are aimed at wider audiences, CIC is prepared to test the potential of these services to provide Federal consumer information. CIC is working with a Houston-based videotext service called U.S. Videotel to put the Catalog on-line to its subscriber base. CIC is also investigating the feasibility of establishing an in-house electronic bulletin board to provide information to the media and possibly the general public.

## DISTRIBUTION

The CIC program support staff manages and directs the production, printing and distribution of the Consumer Information Catalog and oversees and monitors all CIC customer order fulfillment and mailing services provided by the Government Printing Office (GPO) facility in Pueblo, Colorado.

The quarterly Consumer Information Catalog lists about 200 free and moderately priced Federal consumer publications. During fiscal year 1989, CIC distributed 16 million Catalogs and projects printing 16 million Catalogs again in fiscal year 1990.

During fiscal year 1989, each Catalog edition listed an average of 194 publications of which 39 percent were free; 31 percent were low-priced GPO sales publications (50¢); and 30 percent were regular GPO sales publications. The average price of a sales publication was $1.09, down 1.3 percent from $1.11 in fiscal year 1988.

The ongoing receipt, processing, and mailing of CIC customer orders is accomplished through the GPO Public Documents Distribution Center in Pueblo, Colorado. All of this work is done on a reimbursable basis by GPO with CIC coordinating the overall process and billing organizations participating in the free distribution program to cover associated costs.

During fiscal year 1989, the number of publications distributed, including bulk quantities under specific agreements with individual agencies, totalled 8.5 million which was a decline from 9.7 million in fiscal year 1988. This was primarily because, with the transition of administrations and continuing budgetary constraints, agencies did not undertake any new significant information efforts. They generally continued to fund existing publications but initiated new efforts only for the highest priority programs. Although publication distribution declined, the overall revenue generated by CIC increased in fiscal year 1989 as compared to previous years. The sale of publications from the GPO sales program provided $2,435,000 in revenue for the Government Printing Office. Additionally, CIC received $331,000 in user fee revenues during fiscal year 1989 which were deposited in the CIC Fund. User fee revenues consist of a $1.00 charge to consumers when they order two or more free booklets from the Catalog. Total revenue generated by the CIC program for the government in fiscal year 1989 was $2,764,000 which was an increase of 15% over fiscal year 1988.

## SUMMARY

The requested administrative expenses level of $2,172,000 for fiscal year 1991 represents an increase of $201,000 in appropriated funds as compared to fiscal year 1990. It will provide generally for a continuation of programs at fiscal year 1989 and 1990 levels. However, the requested level will bring CIC's appropriation in line with increased operating expenses and modify the trend of the last 5 years to use non-appropriated monies in the CIC Fund to cover ever increasing portions of administrative expenses. The requested appropriated amount partially addresses this trend by absorbing a slightly larger share of administrative expenses. The appropriated portion would increase from approximately 65 percent in fiscal year 1990 to slightly more than 70 percent in fiscal year 1991.

During fiscal year 1991, CIC will continue to pursue new marketing projects in an effort to provide information to the public through innovative and cost-effective methods. Also, an increased emphasis will be placed on using the media to help CIC deliver information directly to audiences throughout the country in an economical and timely fashion. CIC will continue to explore the feasibility of using computer-based systems to complement the distribution of publications requested by the public. These efforts include the use of on-line computer services as well as an in-house electronic bulletin board which may prove to be an effective outlet in disseminating Federal consumer information.

As in the past, CIC will continue to work closely with Federal agencies and private organizations to identify and release valuable publications, to compile and distribute the Consumer Information Catalog, and to direct and monitor the operation of the GPO distribution facility in Pueblo, Colorado. As it has done for nearly two decades, CIC will confidently address any challenges in order to continue its efficient and cost-effective programs for delivering important information to the American public.

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